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Part 2

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1985

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 2414

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 1985 FOR THE ARMED FORCES FOR PROCUREMENT, FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, FOR OPERATION AND MAINTENANCE, AND FOR WORKING CAPITAL FUNDS, TO PRESCRIBE PERSONNEL STRENGTH FOR SUCH FISCAL YEAR FOR THE ARMED FORCES AND FOR CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE, AND FOR OTHER PURPOSES

PART 2

ARMY PROGRAMS
NAVY-MARINE CORPS PROGRAMS
AIR FORCE PROGRAMS
UNIFIED COMMANDS

FEBRUARY 2, 7, 8, AND 23, 1984

Printed for the use of the Committee on Armed Services

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[1] Senator Daniel J. Evans, Washington, served on the Senate Committee on Armed Services from September 22, 1983 to February 9, 1984.

[2] Senator Alan J. Dixon, Illinois, was appointed to the Armed Services Committee on February 9, 1984.

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DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1985

FRIDAY, FEBRUARY 2, 1984

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

ARMY PROGRAMS

The committee met in open session, pursuant to notice, at 10:13 a.m., in room SR-222, Russell Senate Office Building, Senator John Tower (chairman) presiding.

Present: Senators Tower, Goldwater, Warner, Humphrey, Cohen, Quayle, Wilson, Nunn, Levin, and Bingaman.

Staff present: James F. McGovern, staff director and chief counsel; Arnold L. Punaro, staff director for the minority; Alan R. Yuspeh, general counsel; Christine C. Dauth, chief clerk; Brenda K. Hudson, assistant chief clerk; Patrick A. Tucker, counsel; Ann E. Sauer, special assistant; Gerald D. Strickler, printing and documents clerk; Marie Fabrizio Dickinson, staff assistant.

Also present: Gerald J. Smith, assistant to Senator Wilson; John Campbell, assistant to Senator Warner; James Dykstra, assistant to Senator Cohen; Ronald P. Kelly, assistant to Senator Humphrey; Jon Etherton, assistant to Senator Jepsen; Henry Steenstra and Bernie Toon, assistants to Senator Quayle; Mark Albrecht, assistant to Senator Wilson; Frank Sullivan, assistant to Senator Stennis; William L. Lind, assistant to Senator Hart; Jeff Subko, assistant to Senator Exon; Peter Lennon, assistant to Senator Levin; James Steinberg, assistant to Senator Kennedy; and Michael Fainberg, assistant to Senator Bingaman.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

This morning we begin the first of our service posture hearings, and we are pleased to have the Secretary of the Army, Hon. John O. Marsh, and the Army Chief of Staff, Gen. John A. Wickham, as our witnesses.

By most measures, today's Army is the best in many decades; personally, I think the Army is in the best shape that I have seen it since I have been in the Senate. Shortly after the Grenada incursion, I visited the island and talked with soldiers—both enlisted men and officers—on the ground. One of the highlights of my visit was having lunch in the field with a platoon of paratroopers from the 82d Airborne. These men were scouring the mountainous jungle terrain to find the last Cuban, and PRA opposition, and to locate arms caches. As we sat around that jungle clearing, eating the new field rations, I was very impressed with the dedication and intelligence of those young soldiers. They knew why they were there and they were proud of what they were doing. They were obviously well schooled in current events and asked some very intelligent questions. They wanted to know, for example, what the Cuban and Soviet reaction was to our efforts in Grenada. I think I speak for all Americans, Mr. Secretary, when I extend a sincere well done to you and General Wickham for the solid performance of the Army in Grenada.

Having said that, we must keep the Grenada operation in focus. It represents actually a somewhat minor event in the total threat spectrum. The key question in my mind is how is the Army going to maintain its momentum. The quality of today's soldiers is the best it has ever been. How can that quality be sustained or even improved in the future? The Army has launched an unprecedented equipment modernization program; virtually every combat system is being replaced. Can the Army afford to keep their modernization effort going at the current rate? I hope, Mr. Secretary, that you will address yourself to these issues.

The committee will also have an interest in your proposal for the new light division that has been reported in the press and that I have discussed with you. For the past decade, the Army has been converting light divisions to heavy divisions to meet the threat in NATO. Are you now proposing to reverse that process?

Mr. Secretary and General Wickham, we welcome you to the committee today. Our distinguished ranking minority member, Senator Nunn, has been unavoidably detained and will be here shortly, but has advised us to go ahead and proceed. Before we do, let me defer to Senator Bingaman, if he has any comment to make.

Senator **BINGAMAN**. I have no comment, Mr. Chairman. I am looking forward to the testimony.

Chairman **TOWER**. Mr. Secretary and General Wickham, you may proceed as you see fit. We will incorporate into the record any material you want to submit for the record. You can proceed informally if you like. In any case, however you choose to proceed will be quite satisfactory to us, and after you have both completed your statements, we will turn to questions by the committee.

I do have a prepared statement from Senator Nunn, which I will have incorporated in the record at this point.

[The prepared statement of Senator Nunn follows:]

PREPARED STATEMENT OF SENATOR SAM NUNN

Mr. Chairman, I join you in welcoming Secretary Marsh and General Wickham to the committee this morning.

The Army today faces a number of significant challenges. Secretary Marsh's and General Wickham's Posture Statement discuss the new force structure changes which are being implemented within the Army, both Division 86 and a completely new, highly mobile "light" division. On the doctrinal front, the tactics and concepts of the Airland Battle have been incorporated in Army field manuals since August 1982, and the Army is continuing development of new weapons systems to support this change in doctrine. I am proud of the Army and their innovations in these areas. Finally, of all the military services, the Army currently faces the greatest challenges in building new, more modern systems and equipment and in managing the transition from the older to these newer systems.

Yesterday, in our Posture Hearing with Secretary Weinberger and General Vessey, I mentioned several general questions which I thought the committee should be asking Defense Department witnesses this year: whether we have a credible, national military strategy based on realistically available resources; what tangible results the military services can point to from the large increases in defense spending in the last 3 years; and what are the most important national defense priorities toward which we should allocate our limited resources. I will be asking Secretary Marsh and General Wickham specific questions on each of these general themes later this morning.

Mr. Chairman, I look forward to the witnesses' testimony.

STATEMENT OF HON. JOHN O. MARSH, SECRETARY OF THE ARMY

Secretary MARSH. Thank you, Mr. Chairman.

What I would like to do is place my statement into the record and summarize it, if I might, sir.

I would also like to submit for the hearing record the 1985 Army posture statement, "A Commitment to Excellence," a joint statement by Hon. John O. Marsh, Jr., Secretary of the Army and John A. Wickham, Jr., Chief of Staff, U.S. Army, Department of the Army.

[See: "A Commitment to Excellence," the 1985 Army posture statement, p. 588.]

Secretary MARSH. In my opening statement there is one observation I would like to make, sir. This will be our last opportunity in the posture hearings to appear before you as the chairman of this committee. I wanted to thank you for the leadership you have given to the committee, for the interest you have demonstrated in defense and particularly in the Army, and to thank you for what you have done to assist us in improving this great Army.

Second, if I might take a moment, this is my first appearance with the new Chief of Staff of the U.S. Army, General Wickham. And although you have a biographical sketch on General Wickham, I think it is helpful for this committee to know he brings to this post a wealth of background and experience. He is one of the distinguished leaders in the U.S. Army. He was terribly wounded in Vietnam and spent some 5 months in convalesence and was also decorated for valor. He commanded the 101st Airborne Division; was commander of all Allied Forces in Korea; and very importantly, was the Military Assistant to the Secretary of Defense over a decade ago—a position in which he rendered distinguished service. The Army is very fortunate to have him as its Chief of Staff.

You made reference to Grenada, Senator, and I appreciate the remarks you made, because I believe Grenada does present a number of lessons for all of us. It is interesting to note the Grenada experience shows the performance of our soldiers when they are well trained, well equipped, well led, and are executing well organized plans.

I think the committee would be interested to know that of the two battalions of Rangers who jumped into Grenada, only 3 percent of the soldiers had combat experience. There was not anyone below the rank of sergeant, E–5, having combat experience. Only 31 individuals in those two battalions had any combat experience. It shows you through a rigorous training program, you can produce soldiers who will perform well in combat.

It is interesting to note that one of those who served in the 82d Airborne Division is the son of staff member Jim Smith. Corporal Smith, who served in Grenada with the 82d was decorated with the Bronze Star.

The Army is improving. There is a great deal more to do. One of the things that drives the Army's policy and also American defense policy is the troubled and turbulent world in which we live.

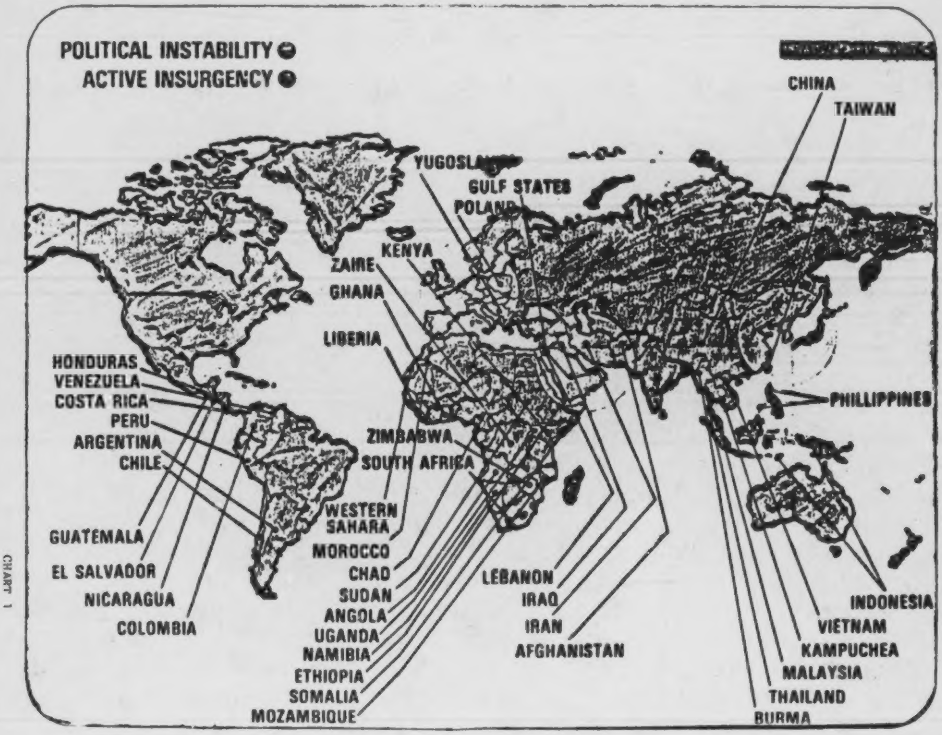

POLITICAL INSTABILITY ●
ACTIVE INSURGENCY ●
[redacted]
CHINA
TAIWAN
YUGOSLAVIA
GULF STATES
POLAND
KENYA
ZAIRE
GHANA
LIBERIA
HONDURAS
VENEZUELA
COSTA RICA
PERU
ARGENTINA
CHILE
PHILLIPPINES
ZIMBABWA
SOUTH AFRICA
WESTERN SAHARA
MOROCCO
CHAD
SUDAN
ANGOLA
UGANDA
NAMIBIA
ETHIOPIA
SOMALIA
MOZAMBIQUE
GUATEMALA
EL SALVADOR
NICARAGUA
COLOMBIA
LEBANON
IRAQ
IRAN
AFGHANISTAN
INDONESIA
VIETNAM
KAMPUCHEA
MALAYSIA
THAILAND
BURMA
CHART 1

CHART 1

I would show you a chart that pictures the turbulence in the world today. In red you see those areas of the world in which there are insurgencies, and in blue you see those areas of the world in which there are likely instabilities. The names of some of those areas change from time to time. But it does show you the enormous ferment. It also raises a number of requirements for the Army from the standpoint of mobility and the types of forces we have. In addition, it underlies some of the things the Army is doing, in reference to the light division in order to have the deployability and mobility to move into distant areas in order to deter conflict.

Now, let me have the next chart.

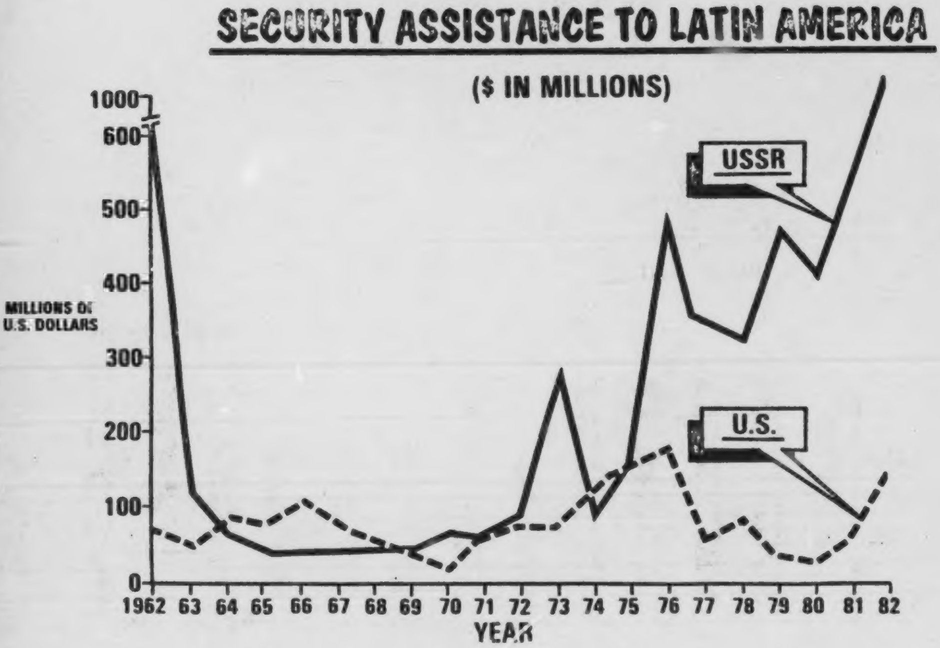


CHART 2

We also know one of the things that is driving our foreign policy and our defense policy is Soviet adverturism, such as we see in Cuba, and Soviet aggression, such as we see in Afghanistan. I simply mention those two examples, but I show you this particular chart because it shows a contrast of investment of funds for military assistance to Latin America by the Soviet Union and by the United States. The red line is the Soviet line; the top of the chart is around, I think, $900 million. The bottom line, the broken blue line, is U.S. investment in the same area of the world.

Now, let me have the next chart.

MILITARY ADVISORS WITH LATIN AMERICAN COUNTRIES

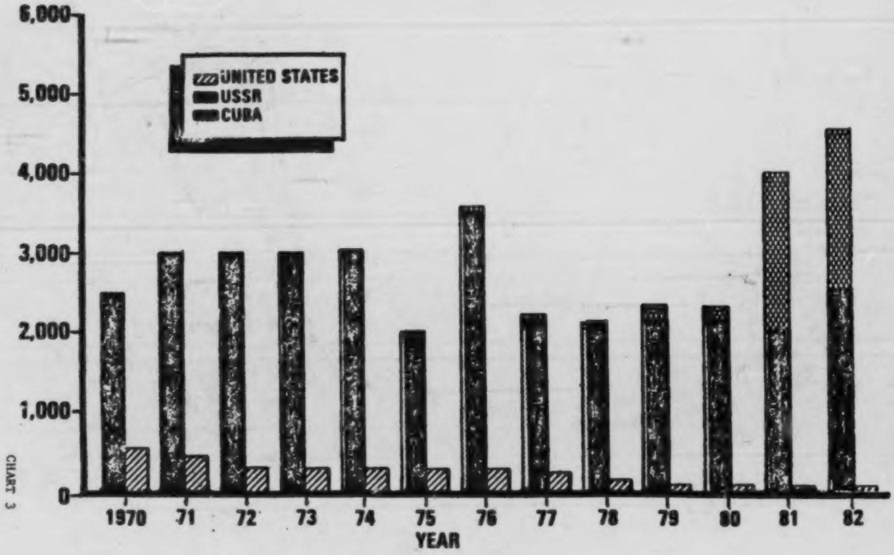
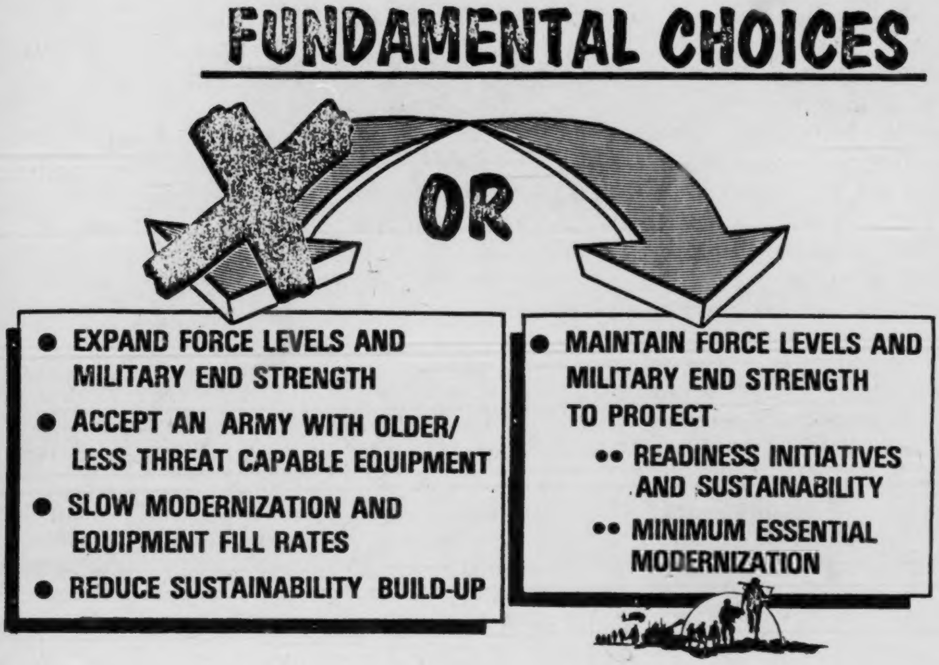


Chart 8

The next chart is actually a deceptively simple bar chart, but it shows you the number of military advisors that we see today deployed in Latin America. The checkered marks are Cuban advisers and Soviet advisers, displayed over a period of years, beginning in the early 1970's. The blue declining marks are U.S. advisers in that very critical area of the world.



FUNDAMENTAL CHOICES

OR

- EXPAND FORCE LEVELS AND MILITARY END STRENGTH
- ACCEPT AN ARMY WITH OLDER/ LESS THREAT CAPABLE EQUIPMENT
- SLOW MODERNIZATION AND EQUIPMENT FILL RATES
- REDUCE SUSTAINABILITY BUILD-UP

- MAINTAIN FORCE LEVELS AND MILITARY END STRENGTH TO PROTECT
  - READINESS INITIATIVES AND SUSTAINABILITY
  - MINIMUM ESSENTIAL MODERNIZATION

CHART 4

Now, if I could have the next chart. This shows you something about the decision process that went into today's Army. This reflects a very fundamental decision that was made in the Department of the Army, after being recommended by the Army General Staff. I agree with the decision and I presented it to the Defense Resources Board in the summer of 1981. There were two fundamental choices for the Army in 1981, two roads we could travel. One would be the road of expanding our force and increasing our end strength. But in order to do that we would have an Army that would be less modern; we would lack the modernization in equipment we would need, and we would not be able to have the sustainability buildup which has been occurring for the last several years, which is absolutely critical.

DEVELOPING READINESS

The principal mission of the Army and the Department of Defense is to develop readiness. Therefore, rather than increasing force structure, we selected what would be the readiness road. This would emphasize the readiness of our force, improve sustainability, and develop a program of modernization.

Once we made that decision, it answered a lot of questions that have impacted on the Army for the last several years. First, the Army would have basically a flat end strength for the rest of this decade. That flat end strength, according to the decision in the last DRB, would be 780,000 and that is what we will present to you today.

Now, as a part of this smaller Army, we have sought to do something we believe the committee has wanted us to do and that is to strengthen the role of the Guard and of the Reserves. We are now making them very active partners, more readily deployable, modernized and equipped in order to allow them to undertake a number of missions which are absolutely essential to support us in our worldwide missions.

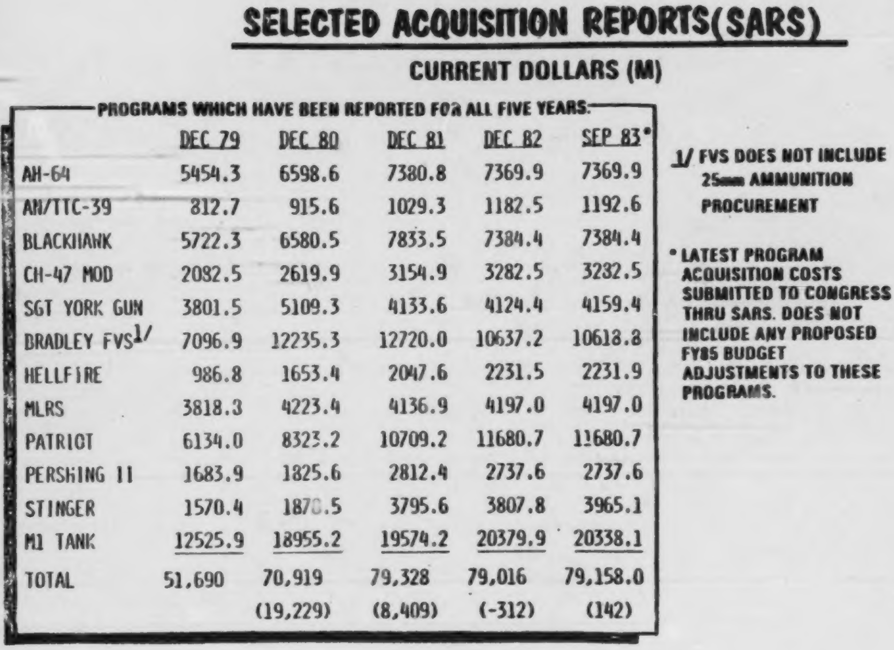
We have been very fortunate in our recruiting program, as you mentioned; 88 percent of the soldiers who enlisted last year were high school graduates. We had 12 percent that fell into test category IV. I would add, we are aware, as we look at this year and the years ahead, that economic conditions are a factor, and consequently we will be working very hard to maintain the recruiting flow we have been so fortunate to achieve in recent years.

RETENTION

Retention is holding. Our key NCO's are coming back. Those indicators of AWOL, desertion rates, reduction of crime and drug use are at levels that are probably the lowest in the history of the Army.

Really, what I am saying to you sir, is we have sought to build a force using leverage, so when people see this relatively small force, they will see a force whose capabilities and whose combat power is far greater than the numbers indicate. As a part of that, we are seeking to develop our Special Forces, our Special Operations Forces and our light forces. The concept of light forces has been a school of thought in the Army for some time. I have endorsed it and I have sought to support it. The light infantry division has as its chief architect General Wickham, who will bring forward that proposal and which he will address it in greater detail.

Finally, this committee, I suspect, more than any other, is always concerned about how we manage the resources and assets of our taxpayers. Let me show you one chart that indicates some of the progress we have been able to make in this very important area. This is an indicator of disciplining or restraining cost growth; it is not an end in itself. In large measure, these sums of money and this control of cost growth can be attributed to the contributions of the Under Secretary of the Army. I would like to show you some figures here on the cost of our principal weapons systems over a period of 5 years.



SELECTED ACQUISITION REPORTS(SARS)

CURRENT DOLLARS (M)

PROGRAMS WHICH HAVE BEEN REPORTED FOR ALL FIVE YEARS:

	DEC 79	DEC 80	DEC 81	DEC 82	SEP 83*
AH-64	5454.3	6598.6	7380.8	7369.9	7369.9
AN/TTC-39	812.7	915.6	1029.3	1182.5	1192.6
BLACKHAWK	5722.3	6580.5	7833.5	7384.4	7384.4
CH-47 MOD	2082.5	2619.9	3154.9	3282.5	3232.5
SGT YORK GUN	3801.5	5109.3	4133.6	4124.4	4159.4
BRADLEY FVS 1/	7096.9	12235.3	12720.0	10637.2	10618.8
HELLFIRE	986.8	1653.4	2047.6	2231.5	2231.9
MLRS	3818.3	4223.4	4136.9	4197.0	4197.0
PATRIOT	6134.0	8323.2	10709.2	11680.7	11680.7
PERSHING II	1683.9	1825.6	2812.4	2737.6	2737.6
STINGER	1570.4	1870.5	3795.6	3807.8	3965.1
M1 TANK	12525.9	18955.2	19574.2	20379.9	20338.1
TOTAL	51,690	70,919	79,328	79,016	79,158.0
		(19,229)	(8,409)	(-312)	(142)

1/ FVS DOES NOT INCLUDE 25mm AMMUNITION PROCUREMENT

* LATEST PROGRAM ACQUISITION COSTS SUBMITTED TO CONGRESS THRU SARS. DOES NOT INCLUDE ANY PROPOSED FY85 BUDGET ADJUSTMENTS TO THESE PROGRAMS.

CHART 5

From December 1979 to December 1980 there was an overall cost growth of $19 billion. From December 1980 to December 1981, the cost growth was almost $8.5 billion. Because of the success of a number of programs we have implemented to curb those costs, to control them and to reduce waste, we began to see a reduction in cost growth. In December 1982, we nearly had a minus $300 million of growth, and this year it looks like we will go from $79,016 million to $79,158 million, a growth of just $142 million in those major weapons systems. We think those are indicators of some of the efforts that we have made to achieve some success in cost-control management.

If I were to tell you of a single area we need your help in more than any other, it would be in the capability to deploy the U.S. Army. We lack the airlift and the sealift necessary to meet our mobility and deployability requirements. Even at the end of the POM, that is, the next 5 years, we still will be short.

Another serious problem we have, and one where we seek your help, is with weapons systems that relate to chemical warfare. This is a shortfall that the Army is very concerned about.

Finally, I would remind this committee, this June marks the 40th anniversary of the Normandy invasion, a great testimony to our American Armed Forces. We believe the experience in Grenada is in keeping with that tradition and as we approach this 40th anniversary, we hope it will remind every American of the need for a strong national defense and for a strong Army.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Secretary.

[The prepared statement of Secretary Marsh follows:]

PREPARED STATEMENT BY HON. JOHN O. MARSH, JR., SECRETARY OF THE ARMY

Mr. Chairman, members of the committee, it is my privilege to discuss the posture of the Army and the direction we are heading to meet the challenges of the future. I would like to express my appreciation for the attention and support you have given Army needs in the past. I look forward to working with you in continuing the momentum of the past years in developing an Army capable of preserving our fundamental freedoms and defending our National Interests.

Let me begin by assuring you that the Army is in better shape today than it has been for many years. Our program for fiscal year 1985 will, in turn, improve the condition of the Army substantially. Thanks to your support, we are now able to place greater emphasis on qualitative improvements in developing an Army of Excellence.

While much has been accomplished during these past three years, more remains to be done. The joint posture statement provides a realistic appraisal of the Army's strengths and weaknesses. Working in close partnership with the Congress, the Army seeks to capitalize on its strengths and to reduce its weaknesses while moving the Army closer to its readiness objectives.

Today, I will discuss the Army's progress in achieving excellence. I will also highlight those shortcomings that warrant our combined attention and resources.

But first, I would like to discuss the realities of the international environment within which our Army must be prepared to fight.

The Soviet Union remains the primary threat to the United States. The Soviets remain dedicated to their single goal of world supremacy. To that end, there has been a substantial quantitative and qualitative improvement in Soviet military equipment. In addition to modernizing its own land forces, the Soviet Union is directing the modernization and restructuring of other Warsaw Pact forces.

Moreover, the Soviet Union consistently exports more military equipment to the Third World than any other country. These military transfers provide the Soviets a valuable entry into many Third World nations.

Additionally, the Soviet Union actively equips and trains surrogate forces, dissidents, and revolutionaries around the world.

In the last 30 years, the Soviets have demonstrated vastly expanded power projection capabilities. A growing blue-water navy, seven highly-mobile airborne divisions, greater strategic airlift and expanded military training assistance programs lend credence to the emphasis the Soviets place upon power projection. Their forces in Afghanistan, and elsewhere in Asia, Africa and in Cuba are testimony to their willingness to exercise this capability.

In response to the global challenges threatening our national security, the Army stands midway in a period of great transition. Virtually every facet and function of the Army are being transformed; its structure and organization, its composition, its training, its equipment, and its operational concepts. Its growing capabilities underscore the role of landpower as an instrument of national policy.

Today's Army is stronger and better equipped than at any time in its recent history. We are proud of this Army, its Active, Guard, Reserve, and civilian members. We believe it is a crucially important part of the successful program of the United States to preserve peace for itself and its allies.

The Army is its people. In today's Army, our manpower needs are being met. Our ranks are being filled with some of the ablest and finest young people this country produces. The true measure of the quality and professionalism of today's American soldier was clearly evidenced in their outstanding performance on Grenada. Much of the credit for the qualitative improvements in our personnel may be attributed to the success of our recruiting and reenlistment programs. Using the high school degree as a gauge of quality, the Army today has the highest educational level in its 208-year history, with some 88 percent high school graduates enlisting in fiscal year 1983. We are aware that the present economic environment will require a continued strong recruiting effort to maintain the flow of young people into the Army whose abilities match those of previous years.

There are some important spinoffs from these quality accessions. First, our gains in first-term quality soldiers have allowed us to reenlist only the most competent, professional soldiers with demonstrated leadership potential. In turn, these soldiers have helped to fill the enlisted leadership gap. Three years ago we reported significant shortages in our top five enlisted strengths. Successful reenlistment programs during this period enabled us to fill many of our shortages with quality soldiers. We should achieve 100 percent fill in our top five enlisted grade by the end of fiscal year 1984.

Second, our disciplinary record has improved substantially. Two key indicators are AWOL and desertion rates. Both have declined steadily over the past decade. Last year, the desertion rate was the lowest in over 20 years. The AWOL rate was the lowest on record.

Quality accessions are only part of the manning equation. The Army realizes full well that although it recruits soldiers, it retains families. In recognizing the importance of the soldier and his/her family to the Total Army family, the theme for the Army in 1984 is "The Army Family."

Likewise there have been significant improvements in our combat readiness. Around the world, our combat forces stand ready to protect our National Interests. Our comprehensive modernization program and our first-to-fight/first-to-be-equipped philosophy have been instrumental in improving the readiness of all components.

But the Soviets have also made considerable progress. If we are to stay abreast of their unprecedented arms buildup, we must continue our modernization efforts. While we do not seek to match the Soviets weapon for weapon or soldier for soldier, we must continue to field high quality equipment which when manned by motivated, highly trained, and physically fit soldiers will serve to counter Soviet numerical advantages.

The worldwide deployment of U.S. soldiers reflects both the realities of our National Interests and the nature of the world environment in which these interests must be protected. Strong land forces serve as a visible and credible signal that the United States is prepared and willing to honor its commitments. The Army must have flexible forces, readily tailored to meet one or more simultaneous events. These forces must be strategically deployable for global responses in hostile environments anywhere along the spectrum of conflict. To that end, in addition to restructuring existing Active divisions, we are seeking to add a 17th Active division to the force in fiscal year 1985.

The Army's programed force structure changes fully support our priorities of readiness, modernization, sustainability and deployability. They also reflect a greater reliance and expanded role for our Reserve Component forces. This is probably the most profound change in the Army over the last 10 years.

As of 1984, nine combat divisions, or 36 percent of the total number of combat divisions, are organized in the National Guard. Two-thirds of the Army's combat service support capability is found in Reserve Component units. We can expect this trend to continue.

Recent events in Grenada, Central America and Southwest Asia highlight the need for additional rapidly deployable, highly-trained, light infantry forces. Toward that end, the Army will begin converting one of its divisions to this configuration in 1985. It is expected that such a force, quickly inserted in the first days of a crisis, could defuse the crisis thereby precluding the deployment of a much larger force later. I strongly support this trend toward lighter, more rapidly deployable infantry forces. General Wickham will discuss the light infantry division in greater detail in his opening comments.

We take our stewardship of resources very seriously. When the Army embarked on its equipment buildup in 1981, we made a pledge to use our resources in an efficient and economical manner. The Army can be proud of its management improvement record. This statement unequivocally reaffirms our pledge to pursue an Army of Excellence through an aggressive and innovative management improvement program.

The fiscal year 1985 Army budget will place the Army in a position where it can further improve its capabilities and its contribution to the support of national policy. I would call your attention, however, to several areas where we desire and expect your support in overcoming serious shortfalls.

Of primary concern to the Army is the strategic lift shortfall. Despite recent improvements in our air and sealift capabilities, substantial shortfalls continue to exist for both inter- and intra-theater requirements. For example, our current requirement is to reinforce NATO with 10 divisions in 10 days. Strategic lift shortfalls limit our capability to only six divisions in 10 days. The Army's light division initiative will help decrease our strategic lift shortfall, but even with this effort, our ability to execute a global strategy will remain severely limited.

Closely aligned with deployability is the Army's mobilization capability. Shortfalls exist in our ability to mobilize quickly adequate manpower, particularly those with specialized skills. Our capability to mobilize should improve during 1985 primarily through planned improvements in Reserve Component management, the mobilization base and the industrial base.

The Army continues to identify and correct deficiencies in the capability of CONUS installations to outload early deploying and mobilizing units. Likewise outloading deficiencies at many deployment installations are being corrected. Additional funding is required, however, if we are to be postured in peacetime to facilitate rapid deployment in war.

In terms of the Army's sustainability, prepositioned unit sets of equipment (POMCUS) are inadequate to accommodate follow-on forces. Moreover, shortages exist in key war reserve stocks, specifically ammunition, consumable repair parts and personnel support items such as cold weather clothing and medical items. The lethality and tempo of today's battlefield make it critical that adequate quantities of these stocks be on hand. Prepositioned stocks help to reduce the initial demand on our strategic lift assets.

The Soviet Union possesses a formidable and expanding chemical warfare capability. They continue to devote significant resources to research and development of chemical warfare programs. Moreover, they have repeatedly demonstrated a willingness to employ these weapons. In response, our chemical retaliatory capability is inadequate and our decontamination capability is deficient. We recognize explicitly that chemical weapons remain an essential feature of our tactical arsenal and, by their availability may deter enemy use of them.

If we are to achieve an Army of Excellence, we must devote our efforts and resources to correct these deficiencies. We must dedicate our collective will to the sustainment of our strengths. We must continue the pace of modernization. We must exploit America's technological lead. We must leverage our force by building a Total Army which, when viewed by either friend or foe, is perceived to be an Army far more powerful, far more capable, and far more formidable than its actual numbers indicate. This is the ultimate objective of the programs outlined in the posture statement.

In closing let me add that it often serves to reflect on history to find direction for the future. Next June, we mark the 40th anniversary of the Allied landing at Normandy. The valor of that day lives today in the heroic deeds of those proud American soldiers who rescued their fellow American citizens on the tiny island of Grenada. Let their efforts serve as a beacon to the world that the United States stands ready to preserve American freedom wherever it is threatened. This your Army has done. This your Army, will do. We ask your help in this great mission.

Chairman TOWER. General Wickham?

STATEMENT OF GEN. JOHN A. WICKHAM, JR., CHIEF OF STAFF, U.S. ARMY

General WICKHAM. Thank you, very much, Mr. Chairman, members of the committee. It is a privilege and an honor for me to appear here. This is my first opportunity to share comments about the Army and to answer your questions since I have become Chief of Staff.

I take these responsibilities very seriously, stewardship of the Army as the uniformed chief, you can be assured. As I said in my confirmation testimony, I will provide straightforward, solid answers to this committee and Members of the Congress, as well as responsible execution of Army programs.

The Army in 1984, as the Secretary of the Army has indicated, is a solid Army, and it is growing in strength through modernization, sustaining capabilities and increased readiness. We owe a great deal of thanks to members of this committee, as well as to other committees for the strong support provided to us.

This is the best Army with the best soldiers I have seen in 34 years of service. For example, last year almost 90 percent of our new recruits were high school graduates. Test category IV, the lowest category we take into the Army, as you know, was less than 12 percent. So we are doing well. The Secretary has talked about the young soldiers that went into Grenada. These were patriotic young men and women, and they performed the tasks placed on them.

After Grenada, I went and visited our wounded in the hospital and pinned Purple Hearts and Combat Infantry Badges on those who were eligible. And one young soldier, after the awards were pinned to his bathrobe and they were about to take a photograph, said, "wait a minute," and reached into his pocket and pulled out a small American flag which had been sewn on the left sleeve of all our soldiers, and he put the flag above the Combat Infantry Badge and said, "go ahead and take your pictures, because this flag is what I am proudest of." When we have young people like this soldier, I think Americans of all ages can be very proud of whom we have serving in uniform.

But the performance of our soldiers is really only one dimension of the quality and the high state of combat readiness. There are other dimensions, and you are well aware of them. The modernization program is underway to improve the capabilities of the Army. We are in the beginning phase of that modernization program, having lived through 10 to 15 years without a great deal of modernization. We need to sustain this program if we are to maintain an army, a small army, capable of fulfilling the tasks directed by political authority.

QUALITY EQUIPMENT

We are fielding quality equipment. The M–1 tank is the best tank, I believe, in the world. We have seven M–1 battalions in Europe. We are maintaining the M–1 tank at over 95 percent operational ready rate. Last summer the M–1 tank participated in the annual trophy cup competitions in Germany, and we came out with the highest results we have ever scored in 20 years of competition.

These programs are underway and we solicit the continued support in maintaining the momentum.

We now bring our soldiers and our equipment and our doctrine together in some very tough and demanding exercises in order to increase and to maintain a high level of readiness. We have instituted a new training center at Fort Irwin, Calif., which is the toughest training center in the world. It is a training center which allows us to pit our battalions, both mechanized and tank battalions, against enemy forces, large in number and diverse in capabilities. These exercises, which are carefully instrumented, allow us to critique, to train, and to improve our capabilities. Everyone who goes there comes away feeling this really is the kind of thing we ought to be doing in peacetime. It is the best training you can get short of combat. Those of us who have served in combat, of course, want to avoid war by deterrence.

We're moving forward in a number of other areas, trying to build a greater capability within this small Army. History of war shows units which are cohesive last longer in battle, the soldiers survive and they perform better. We have a number of actions to develop cohesiveness which my predecessor and Secretary Marsh started. The regimental affiliation system, the broadening of the company rotation system, which we call COHORT, all are designed to strengthen unit cohesion.

We just indicated, the Secretary and I, this year will be designated the year of the Army family, because we recognize at the root of readiness lies a supportive and strong family structure in the uniformed services. We seek to foster programs which will strengthen family life and strengthen the support of family members.

All of us recognize, probably too well, the world we live in today is far more dangerous than in recent years. International terrorism and threats to peace are on a global scale. That's why 43 percent—43 percent of this small Army is deployed overseas. It is deployed overseas in increasingly different roles. We have rotated battalions of infantry in the Sinai in a peacekeeping role for 2 years now. We have upward of 150 training teams in over 31 countries around the world. We have teams in Lebanon building the Lebanese Armed Forces, for example. We are participating in a substantial number of exercises, such as the ones recently completed in Honduras and in Egypt.

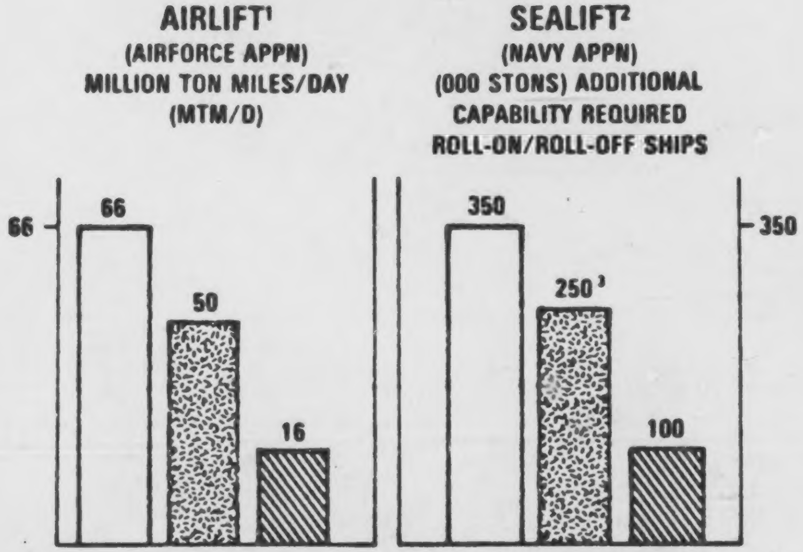
Despite the fact we have the smallest Army in 33 years, we are able to fulfill these commitments because we concentrate on readiness, on improving our Reserve components, and on the quality of people as well as equipment. Also, as the Secretary indicated, we are earnestly trying to wring the most out of every defense dollar given to us by conducting a war on any kind of fraud, waste, and inefficiency in the Army; and we have a number of programs I can comment on later as an example of improvements in our performance.

STRATEGIC DEPLOYABILITY

Now, as the Secretary indicated, one of the constraints to fulfilling the missions imposed on the Army is strategic deployability. I am not faulting the other services, because they have major programs to improve their capabilities to deploy our forces.

Let me have the first chart, please.

STRATEGIC AIRLIFT AND SEALIFT SHORTFALLS
(THRU FY89 PROGRAM)



LEGEND: ☐ = REQUIREMENT, ▩ = PROGRAM, ▧ = SHORTFALL
REQUIREMENT SOURCE: CONGRESSIONAL MANDATED MOBILITY STUDY AND DOD SEALIFT STUDY.

NOTES:

1. CURRENT AIRLIFT PROGRAM INCLUDES C-5B AND KC-10 PROCUREMENT.
2. CURRENT SEALIFT PROGRAM INCLUDES SL-7 CONVERSION, FLATRACK/SEASHED PROCUREMENT AND RRF EXPANSION.
3. THERE ARE NO FUNDS IN THE CURRENT NAVY PROGRAM TO PROVIDE ADDITIONAL FAST OR CONVENTIONAL SPEED ROLL-ON/ROLL-OFF SHIPS.

CHART 6

They aren't enough. This chart indicates the program years out through 1989. If we take a look at the airlift; the airlift requirement and what we are going to be able to acquire during the program on the part of the Air Force, there remains 16 million ton miles a day shortfall, even with the current program before this Congress.

The same applies to sealift. The requirement, the fulfillment of the requirement with the Navy program and the shortfall.

The shortfall is a real factor in our ability to fulfill missions, and that is why the Army has undertaken a number of initiatives on its own to try to compensate for the reality of a shortage in strategic lift. One, as you know, in the past few years, was a high technology motorized division located at Fort Lewis, which my predecessor started as a means of creating a more lethal division yet lighter than the heavy divisions. Unfortunately, it is lethal but it is not light. So we have looked at the concept of organizing a smaller division which would have a greater tooth-to-tail ratio than previous divisions, a division about 10,000 soldiers strong containing 50 percent infantry, an elite infantry force, and could be deployed in less than 500 sorties.

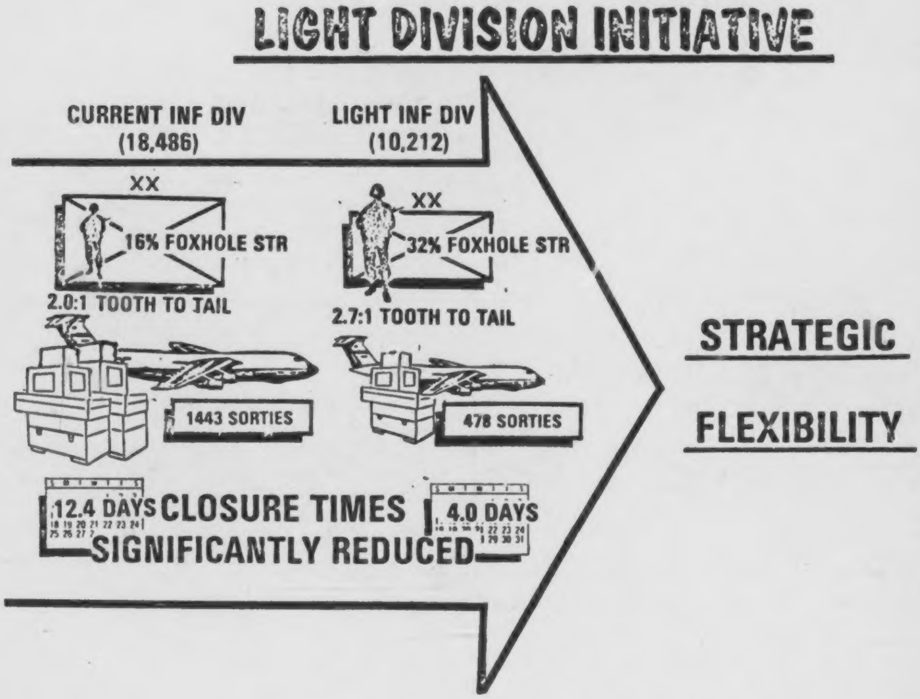

LIGHT DIVISION INITIATIVE
CURRENT INF DIV (18,486)
LIGHT INF DIV (10,212)
XX
16% FOXHOLE STR
XX
32% FOXHOLE STR
2.0:1 TOOTH TO TAIL
2.7:1 TOOTH TO TAIL
1443 SORTIES
478 SORTIES
12.4 DAYS
CLOSURE TIMES SIGNIFICANTLY REDUCED
4.0 DAYS
STRATEGIC
FLEXIBILITY

CHART 7

This chart illustrates it very simply and graphically. This figure is roughly the size of our current infantry division, the division at Fort Ord. If I might correct your comment, Mr. Chairman, we are not converting any heavy divisions to light. We are looking at our current light divisions in the Army and trying to make some of them even lighter, more lethal and more deployable to compensate for the strategic lift shortage, and also to provide greater flexibility for political authority. The current infantry division only has 16 percent in its foxhole strength. The tooth-to-tail ratio is 2 to 1. It takes almost 1500 strategic sorties, and if we get them all in one location and move rapidly, we might be able to close the division someplace around the world in approximately 2 weeks.

Our light division, 10,000 soldiers——

Senator GOLDWATER. Pardon me, General. Is that with our present MAC?

General WICKHAM. That's right, sir. Well, that is with the C–141 and C–5's.

Chairman TOWER. That is the sortie requirement.

General WICKHAM. The sortie requirement.

Chairman TOWER. Regardless of what we've got.

Senator Goldwater. The point I'm trying to make is, we're about 20-percent deficient.

General Wickham. This slide doesn't take into account the deficiency. All this states is to move this division with its gear would take that many airplanes, approximately 1,273 C–141 sortie equivalents.

Senator Cohen. Can I ask a question, Mr. Chairman?

General, you said that the chairman was somewhat in error in the way he characterized this. I am just looking at the announcement by the Secretary in which he indicates that the 7th Division is to be converted to a light division, and that it will provide the basis for the activation of initial elements of a new light——

General Wickham. Right.

Senator Cohen. So is it a conversion; is it new?

General Wickham. I'll comment on that, sir.

Back to our 7th Division here, the tooth-to-tail is 2 to 1, and it takes almost 2 weeks to get it anywhere in the world which may be too late. We may have to fight our way in with that kind of a closure rate. If we look at this light division that has a 32-percent foxhole strength, twice as much. The tooth-to-tail here is almost 3 to 1. These are elite infantry. It will have a similar kind of structure of other divisions, such as three artillery battalions, helicopters to move infantry, and wheeled vehicles. We can move it, we think, in less than 478 sorties, a third of the requirement of our current infantry division. And we believe we can close a light division anywhere in the world in 4 days. Now, there is no free lunch. Obviously this division does not have the sustaining capabilities or the antitank density of a much larger or heavy division. But we believe that presence and the capability to fight for 2 days plus some augmentation which can come from the National Guard or Active structure through what we call corps plugs, will give the light division a sustaining capability just as much as the heavier ones.

Senator Goldwater. Let me get back to that sortie business.

General Wickham. Yes, sir.

Senator Goldwater. Does MAC have the capability, even with the lighter division, to move you in 4 days?

General Wickham. Yes, sir.

Senator Goldwater. They do?

General Wickham. Yes, sir.

Senator Goldwater. You're certain?

General Wickham. Right.

Secretary Marsh. It is dedicated.

General Wickham. It is dedicated. We would have to get the aircraft dedicated. You know there is a limited number of C–141's and C–5's, and the CRAF would have to be activated, and you'd have to dedicate a flow rate that would enable you to do this. This assumes the flow rate would continue. It doesn't take into account the shortfall; that's exactly right.

Senator Goldwater. That is a serious deficiency in this whole plan. If you want to move more than one light division you're in trouble, even with the entire MAC force.

General Wickham. We're in worse trouble here without the light division.

Senator Goldwater. I agree. You're going to still be in trouble unless we get some more MAC aircraft.

General Wickham. Well, we believe by cycling you can flow them, with CRAF, on C–141's and the C–5's.

If I may proceed, sir.

Senator Goldwater. All right.

Chairman Tower. Go ahead, General.

General Wickham. And to get back to your comment earlier sir, I'll come to it in just a moment.

THE LIGHT DIVISIONS

In addition to this converted division I just talked to, we plan to activate late this year a new division along similar lines here, and the capability will come from efficiencies we have been able to generate throughout the Army structure changes through the use of automation, through the use of technology, and through the use of new concepts for organizing support. It will take a year or two to fully organize the division, but we plan to activate it late this year.

I should emphasize here this initiative with the light divisions, conversion of the 7th, the organization of a new one, will have nothing to do with the heavy side of the Army. The heavy side of the Army which is devoted toward our traditional alliances, NATO and the Far East, will continue to be strengthened through modernization programs already underway. There is no change there.

Now, in view of the Active Army's small size, we are improving the readiness and the capabilities of our Reserve components. They are inextricably tied to the total Army's capabilities to go to war. Just to give a reassurance to this committee that we are putting our money where our mouth is in terms of fulfilling the obligations of the Reserve components—let me have the next chart please.

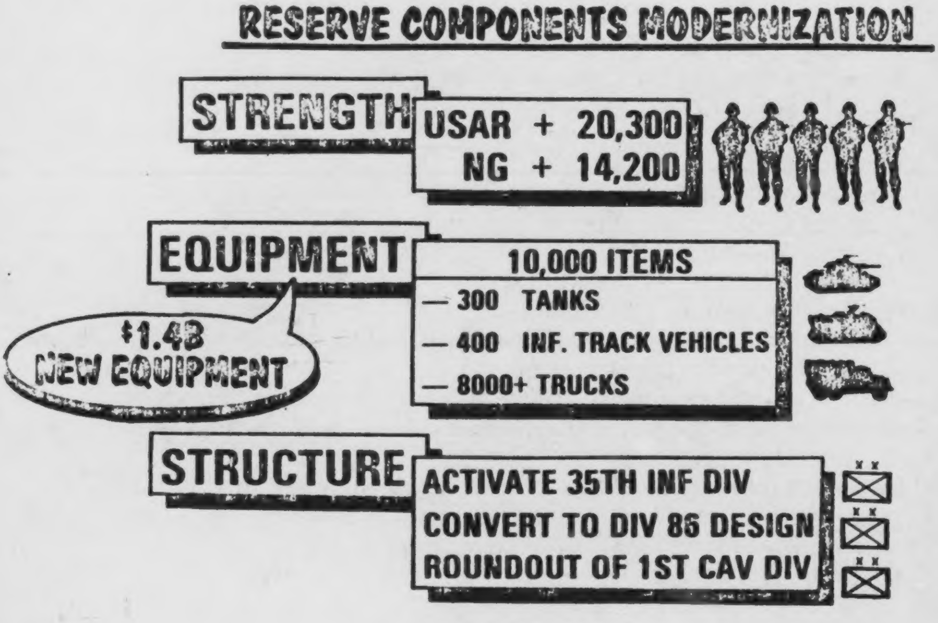

RESERVE COMPONENTS MODERNIZATION
STRENGTH
USAR + 20,300
NG + 14,200
EQUIPMENT
10,000 ITEMS
— 300 TANKS
— 400 INF. TRACK VEHICLES
— 8000+ TRUCKS
$1.4B NEW EQUIPMENT
STRUCTURE
ACTIVATE 35TH INF DIV
CONVERT TO DIV 86 DESIGN
ROUNDOUT OF 1ST CAV DIV
XX
XX
XX

Chart 8

This chart illustrates some of the things we have in budget this year. We have a growth in strength of the Guard and Reserve of some 34,500. The end strength of the active Army is flat, but we are allowing the Guard and Reserves to grow to fulfill the requirements placed on them.

We are putting into the Army Reserve and National Guard in fiscal year 1985 $1.4 billion worth of brandnew and displaced equipment which includes M–1 tanks, and Bradley fighting vehicles, M–60 tanks and M–113 TOW vehicles. Some units will get new equipment before the Active Army, particularly if they are deploying to war earlier than the Active Army units. Some of the items involved here are, over 10,000 items; 300 tanks, 400 tracked infantry vehicles to include 64,000-plus trucks. These are some of the activities which will be underway. Activating the 35th Infantry Division Mechanized in the Guard; converting one of their—a number of their divisions to our Division 86 design, this is the heavy design, and a round out of the 1st Cavalry Division down at Fort Hood.

So this gives some overview, sir, of what we are undertaking here with modernizing and improving the Army. We are on the road to excellence, we think. We have a long way to go. The soldiers we have around the world, a small Army which has 43 percent deployed overseas, and has young soldiers who understand the role they must play. They are contributing to maintaining peace and to protecting our interests.

The strategic reserve we have in the United States—all of our forces here are strategic reserve—they understand their need to maintain a high state of readiness. I want to assure you the initiatives I have outlined here are simply designed to provide greater efficiency with the resources given to us, and also to provide better strategic flexibility for our National Command authorities.

We appreciate the support of this committee, and I pledge to you my earnest efforts in solid stewardship with the resources entrusted to us.

Thank you, very much.

[The prepared statement of Gen. John A. Wickham, Jr., follows:]

PREPARED STATEMENT BY GEN. JOHN A. WICKHAM, JR., CHIEF OF STAFF, U.S. ARMY

Mr. Chairman, members of this committee. Thank you for the opportunity to testify on the Army. In my opening statement let me provide a brief "State of the Army" report.

The Army in 1984 is a solid Army and growing stronger through modernization, improved sustaining capabilities, and increased readiness. It is the best Army I have seen in 34 years of service. We have high quality soldiers, noncommissioned officers, and officers. For example, last year almost 90 percent of our recruits were high school diploma graduates, and about 12 percent were in the lowest test category.

These statistics don't tell the whole story. Sixty percent of the lead Ranger Battalion which jumped into Grenada without reserve parachutes from 450 feet were recruited in the last 2 years. Less than 3 percent of the battalion were combat veterans, yet all performed superbly. Our soldiers are tough, resourceful, intelligent, and patriotic.

Recently, I decorated some of our Rangers. One badly wounded soldier, with a Purple Heart and Combat Infantryman's Badge pinned to his robe, interrupted a photographer. "Wait a minute!" he said. He reached into his pocket and took out a small American flag which had been worn on his uniform in Grenada. Placing it above the decorations he said, "Now you can take my picture, because this flag is what I'm proudest of!" With such soldiers in our ranks, shouldn't Americans of all ages be proud?

The performance of our soldiers illustrates not only their quality but also the high state of combat readiness. We must continue efforts to maintain force readiness and the quality of our soldiers. The Army is sensitive to dealing with potential changes in recruiting as the economy revives.

The Army's modernization program also is improving readiness because our equipment is more effective across the board. For example, in Germany we have over 5 battalions of M1 tanks, which now have been on two annual REFORGER exercises. For both years the operationally ready rate was over 95 percent.

Last summer a company of our young soldiers and their new M1 tanks were the top company in the Biennial NATO Tank Gunnery Competition. That's our best in 20 years. Our soldiers believe that they can fight outnumbered and win with the equipment coming into their hands. Building that kind of confidence is fundamental to our entire modernization program.

Our modernization efforts generally are on course though some problems continue with quality assurance and design. We are working with industry to correct these problems.

We bring our soldiers, leaders, equipment, and doctrine together in training exercises, which today are more demanding than ever. For example, our National Training Center at Fort Irwin, California is the best mechanized battalion training environment in the world. Units used instrumented, eye-safe, laser engagement systems to conduct mock battles which are both challenging and diagnostic. Battles are filmed to show troops what they did right and where they can improve. Soldiering, leadership, tactics, and equipment are thoroughly wrung out, analyzed, critiqued, and studied.

We also are moving forward on several fronts to foster cohesion throughout our Army. The history of war shows that cohesive units are tougher and survive better in combat. Leadership and management actions, regimental affiliation, and broadening of the company rotation system are working to strengthen unit cohesion and the bond among soldiers. Similarly, our Family Action Plan will ensure that the needs and welfare of family members throughout the Army receive the attention they deserve. Readiness of the Army ultimately rests on supportive, strong families.

All of us recognize that the world is far more dangerous than in recent years. International terrorism and threats to peace jeopardize our interests on a global scale. That's why 43 percent of the Army is deployed overseas keeping the peace in Europe and in Korea. Our commitments also include an infantry battalion with the peacekeeping mission in the Sinai, over 150 mobile training teams in 31 countries, and extensive joint training exercises like those in Honduras and Egypt.

Despite the fact the Active Army is the smallest in 33 years, we are able to fulfill these commitments because we concentrate on readiness, on improving our Reserve Components, and on quality of people as well as equipment. We also try to wring the most out of every defense dollar by reducing inefficiencies, tightening procurement practices, and capitalizing on technology.

One of the constraints in fulfilling our commitments is the continuing problem of strategic deployability. While the Navy and Air Force have programs to solve the problem, a shortfall remains. Two years ago we began an initiative to use technology to make an Army division which would be lighter than our armored and mechanized divisions yet similar in anti-armor lethality.

This effort at Fort Lewis will continue as our test bed for doctrine and new technology. However, we still need a division which is significantly lighter than any division we now have. Accordingly, our division at Fort Ord will be reorganized into an elite infantry division of about 10,000 soldiers. It will be deployable in about one-third the strategic lift sorties required for other divisions yet will have greater foxhole strength than our current, much larger infantry division.

In addition to this converted division, we plan to activate a new division in early fiscal 1985, also on the pattern of the one at Fort Ord. Although it will take several years, we will be able to create this additional combat capability within available resources. We are reducing support structure throughout the Army by capitalizing on technology and efficiencies. We plan to hold Active Army end strength at 780,800.

In view of the Army's size, improving the readiness of National Guard and Reserve units must be a top priority. For example, in fiscal 84 we will issue over $900 million of new equipment to the Guard and Reserve. In fiscal 1985 we will issue $1.4 billion. Other examples are planned increases in full-time manning, in Reserve Component strength, and in exercise activity.

I have described an army on the road to excellence, one which is improving in quality and becoming more deployable, as well as more capable in terms of combat readiness and strength. We must also be a powerful army. We achieve that power, not by matching the Soviets' 191 divisions or 50,000 tanks, but by capitalizing on American economic, political, technological and cultural strengths.

Our soldiers understand this fact of life from tough training and first-hand experience. In the Sinai they see that, because they are professionals, they can help bring peace to an area where wars have raged for centuries. Our advisors and mobile training teams all over the world see the nation building effects of American military presence. Our soldiers in Germany and Korea are warmly regarded by peoples who have known peace for decades.

To be sure, part of our power comes from our many allies and friends. But we also man freedom's frontiers and have demonstrated the capacity and the will to reinforce our deployed forces and our allies with significant land forces. These are supported in turn by a strong nuclear deterrent. We need all of these elements and the support of the American people to keep our great Army powerful. We also must continue to provide the resources which keep our small Army credible in the eyes of our enemies, our allies, and our citizens who proudly choose to wear the uniform. Thank you.

LIGHT INFANTRY DIVISION PROPOSAL

Chairman TOWER. Thank you, General Wickham.

Mr. Secretary and/or General Wickham, I'd like to get a little more detail on the light infantry division proposal, if you could address yourselves to the following points. What increased costs are involved or whether or not there are any cost savings; the firepower and mobility of the new divisions as compared to the conventional infantry division. In that connection, I understand you have very little in the way of crew served weapons, other than machineguns. What major factors have led the Army to decide that it makes sense to have these light divisions? Can you address yourself to those points affecting the light infantry division?

Secretary MARSH. Mr. Chairman, if I could start with some background and let General Wickham amplify.

Chairman TOWER. I'd like to know, too, whether the emphasis for this came from within the Army or from the JCS.

Secretary MARSH. I will speak to that, sir.

When I became the Secretary of the Army, I had my own views on the need for light forces, but I learned there was already a school of thought—a very significant school of thought—in the Army which espoused that particular concept. A key leader of that was the former Chief of Staff, General Meyer. His influence was reflected in the decision to develop the hi-tech light infantry division which was a test bed division designed to look at new concepts and equipment at Fort Lewis, Wash. There was also an effort by the Army and by the Defense Department to move us toward what was called SOF, or Special Operations Forces, which for the Army are the Rangers, Special Forces, Psy-War and Civil Affairs soldiers.

In addition to those concepts, you add the environment of the world in which we live and the nature of the conflicts we are seeing. Many are at the lower end of the spectrum, in what might be termed subconventional warfare, terrorism, guerrilla warfare, and subconventional, or modified conventional warfare and in certain areas of the world, they pose enormous requirements. In my observation, the concept evolved from within the Army with concurrencees from many different places. General Wickham, as I mentioned, is the architect of the light infantry division, the 10,000-man concept, that was just illustrated.

I found there was a consensus inside the Army. Many senior commanders were polled, including all of the major Army commands and this concept was approved. It was decided it would be presented this year, and General Wickham may want to address these questions in reference to the division.

General Wickham. Yes, sir. If I may have the chart, please.

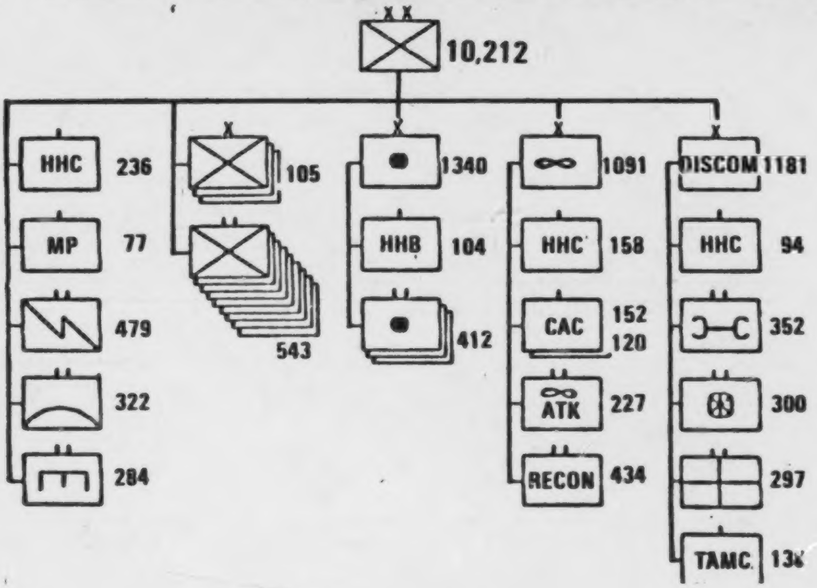

PROTOTYPE OF A 10K LIGHT DIVISION

Chart 9

Regarding the increased costs, there will be some reprograming needed. We are talking about a division where the infantryman will have night vision capability. There are going to have to be some more night sights. We are talking about light vehicles. There may have to be some more high mobility multipurpose wheeled vehicles (HMMWVS). But we believe we can do it within existing resources, the conversion of the 7th and the organization of the new one.

I don't want to overwhelm you with a wiring diagram, but it does illustrate something. I'll just make a few points on the wiring diagram of the light division. There is a lot of similarity here to the current division, in terms of organizational capabilities. Incidentally, the Soviets have small divisions, basically around 10,000 to 12,000. So this is not some creature which does not have a parallel on the battlefield. You see we've got its combat capabilities; nine small infantry battalions, 543 men to a battalion. Similarly, our other divisions have nine battalions, if they are fully fleshed out rather than having Guard battalions as augmentations. These battalions of infantry will, as I mentioned, have night vision capabilities, they will have TOW antitank systems, they will have Dragons, they will have LAWS, they will have Stinger air defense systems, and they may have 90-millimeter antitank systems which were found to be valuable in Grenada. So there is a density of crew served weapons here. They will also have 4.2 mortars, heavy mortars, just as we have in some density in our other divisions. Three 105 mm artillery battalions; not the heavy ones, but they can lay down a higher rate of fire. These, of course, are light. We are looking possibly into a mix of 105 and 155 to capitalize on the various munitions available to the 155. We also have a combat brigade which will have attack helicopters, so that we can cycle aerial antitank systems, just as other divisions do. Two lift units here, in one sortie of Blackhawk helicopters, we can move a whole battalion. And by cycling the lift assets, we can move others. I used this practice in the 101st Air Assault Division, which has only enough helicopters to move several battalions at once. It is a cycling process. And we ought to capitalize on that kind of doctrinal and organizational mentality with this kind of concept. We don't do it with our other divisions.

It also has a reconnaissance battalion—a rather unique reconnaissance battalion, where we bring together in one organization all our intelligence capability and battlefield-surveillance capability. Now this is an innovation. We're not sure, but it might have application to other divisions.

On our support-structure side, we have a supply and transport battalion (S&T) that will provide resources throughout the division. It can also move one battalion of infantry in one lift of HMMWV's, and so by cycling we think we can capitalize on centralized capability here.

There are other innovations. This division is not cast in concrete. We have to evaluate it. There may be some more crew-served weapons that we should add. There may be some innovations we can bring from the 9th Division at Fort Lewis.

Chairman Tower. It sounds like you've got a heck of a resources-management problem there, though, General.

General Wickham. Resources, sir?

Chairman Tower. A resources-management problem. You're keeping everything hopping all the time.

General Wickham. Well, sir, we have been doing with less than necessary for a number of years. But this situation is true within any division.

Chairman Tower. So you're really making maximum use of everything you've got.

General Wickham. I did in the 101st, when I commanded it for 2 years. The use of lift and attach aviation in the Army is an intensively managed operation. You don't have the weapons attached to supporting units. So, yes, there is a resource-management issue here, in the battlefield, but we believe it is practical. The 9th Division at Fort Lewis has demonstrated that resource management on the battlefield can be handled and leads to efficiencies.

Chairman Tower. Was this decision driven in any way by your shortfall in airlift capability, or is it something that even given a vastly improved airlift capability, you would consider doing anyway?

General **Wickham**. The latter. Because we believe that the capacity to insert forces quickly in an area threatened may very well minimize the escalation of hostilities and might very well snuff it out in the beginning. If we can deploy a force in 4 days rather than 2 to 3 weeks, we think our security interests would be well served.

Now, this kind of division, we believe—we have looked at studies, we've examined some of our initial war games with it, it can go anywhere; it can go into Europe and fight in the forested areas or in urban areas, and be augmented as necessary.

One of the areas where we think we can capitalize on the Guard and U.S. Army Reserve's capabilities to recruit is in TLAT kind of battalions, TOW light antitank battalions, artillery units and truck battalions. They can do well in recruiting those kinds of organizations. Those are the kinds of plugs we might very well make use of with this kind of a light division if it went into the central front in Europe or if it went into Southwest Asia and needed additional capabilities.

RECRUITING PROBLEMS

Chairman **Tower**. General, in the conversation that you and I had a few days ago, you mentioned that you had seen the first warning signs that there may be some recruiting problems ahead. Could you elaborate on that for us.

General **Wickham**. Yes, sir; as we talked, and as I indicated in my statement, last year was our best year of recruiting. We have given our recruiters even higher quotas this year of high school diploma graduates. What we found the first quarter of this year was a 22-percent reduction in the number of young men and women coming to our recruiting stations, asking to take tests. These tests, in the past, have led to signing of contracts to join the Army. This 22-percent reduction may be a harbinger of an upturn in the employment opportunities for them; and, may in turn lead to a reduction of contracts, or it will lead—and we are already taking steps in this direction, to recruiters hustling even harder to get the quality through our recruiting structure. I cannot speak authoritatively for the other services, but I understand that the Air Force is seeing fewer people walking through their recruiting stations also.

PATRIOT AIR DEFENSE MISSILE SYSTEM

Chairman **Tower**. General, during the past year we have had problems with the Patriot air defense missile system. As a matter of fact, it is my understanding that there is a program slip of nearly 1 year. This is a vital NATO program and I believe the Germans and the Dutch both have indicated their intention to buy that system. Can you tell us about those Patriot problems, and whether or not we expect them to be fixed.

General **Wickham**. Yes, sir. The Patriot system, very effective, important addition to our high-level air defense. We have found there are problems in three areas. The first problem is in equipment, some difficulties with the performance of radars and other pieces of equipment. No. 2, there are some problems of supportability. And No. 3, the man-machine interface, training with this new equipment. These problems are not insurmountable, we have a handle on them and are working with the manufacturer as well as our training people.

As a result of these problems, we have turned our schedule into what we call a milestone-driven schedule. Rather than force ourselves to some fixed date to deploy it, let's practice achieving certain goals of readiness and then figure out what the implications are for deployment. We think we may be—we are slipping certainly 6 months; it may be more. We don't see right now any impact with the German agreement to procure the Patriot, that's downstream. As you know, we are about to work out a negotiation with the Dutch also on the Patriot, and I don't see any difficulty there. We do not want to deliver a system into the hands of U.S. troops overseas or of our allies which has not fully demonstrated its capabilities. So we are just going to take our time, not in any laggard way, but take our time to do it right.

Chairman TOWER. Thank you, General. Senator Nunn?

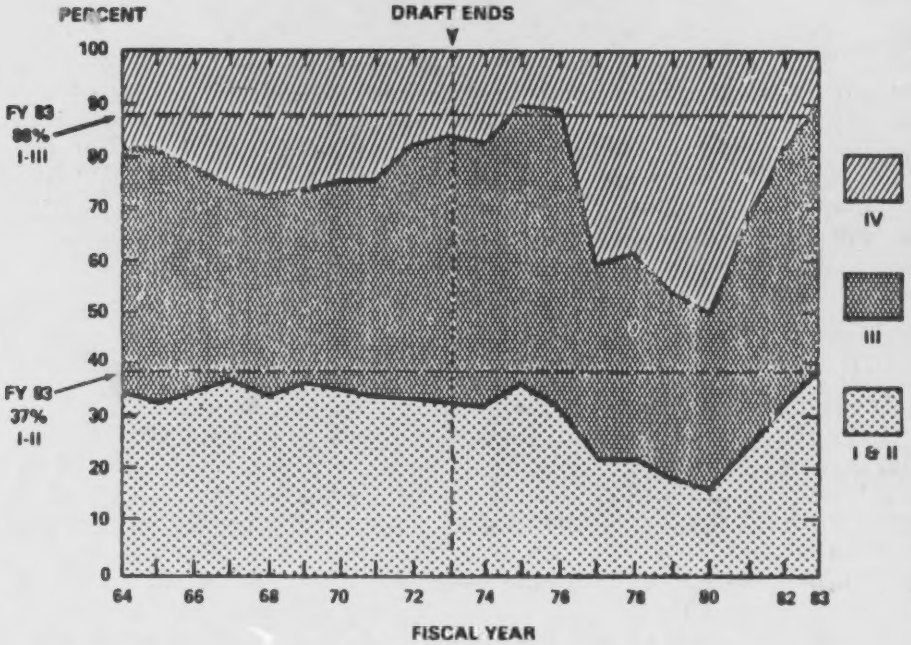
RECRUITING AND RETENTION

Senator NUNN. Mr. Chairman, thank you, very much.

I am glad you brought up that question of manpower and recruiting. General, would you care to give us a definition, if not this morning, for the record, of the kind of quality that is essential for the U.S. Army if you are going to be able to maintain the high-quality manpower that you have described as so important. The reason I ask that is, I think before we start going back into the cycle we have all been through in the 1970's when we had a very difficult time recruiting and retaining, and we had the number of high school graduates go way down and the number of category IV go way up, I think we need to set some kind of baseline about quality manpower that will help us determine at what stage we need to make a very significant change, including the possibility of a draft, but not limited to that. Would you care to give us a definition now of at what stage you would be alarmed about manpower-quality deterioration.

General WICKHAM. Let me have the chart, please.

DISTRIBUTION OF ARMY NPS ACCESSIONS*
BY AFQT CATEGORY
FY 1964 THRU 1983



*INCLUDES NPS MALES AND FEMALES (INDUCTEES, REGULARS AND RESERVES WITH 2 OR MORE YEARS ACTIVE COMMITMENT)

CHART 10

You're right, Senator Nunn, there has been a change here. This is by fiscal years 1964 to 1983. And these are the test categories that we have. The numbers don't mean as much as the trends. But this does illustrate, these are the test category I and II, the highest, the brightest, the best, if you will, in terms of mental capacity by test score. This is test category III in here, and this is test category IV. You see, just as you indicated, before the draft ended, this is what took place. We brought a lot of college people and bright people in here; that's according to the tests. And then after the draft ended in 1973, we began to see a change, an increase in test category IV. But about 1980, because of incentives, advertising, increased effort on recruiting, perhaps the economy had something to do with it, you see this increase in test category I and II, and the increase in III and IV is disappearing. We're down, as I mentioned in my earlier statement before you came in, we're down to about 12 percent test category IV. The Congress, as you know, has mandated don't go higher than 20 percent. We're going to stay under that level.

The 20-percent level is one criterion. You have mandated 20 percent. So we accept it as a reality, hence we have to go after as many of the higher test categories as we can. As an illustration, the chief of recruiting came to me 6 weeks into this fiscal year and said he had recruited his annual quota for Rangers. Rangers are test category I and II. What shall we do? I said, continue to recruit them; we'll form as many Ranger battalions as we need. So force structure changes are an organizational dimension that we might undertake. In any event——

Senator NUNN. I guess what I am asking is, at what point on that chart, looking at the bad side, back in the late 1970's, if you had been in the job at that stage that you are in right now, would you have called for either the draft or some other form of very significant departure? At what stage of that quality deterioration would you have been very alarmed, knowing what you know now?

General WICKHAM. None of us like this period. These will be your NCO's. When the emolument system and the economy changes, the first ones to leave the service are the highest test categories and the test category IV are last.

Senator NUNN. Would you have called for the draft or—I'm not limiting it just to the draft—some other radical change in personnel practices had you been in that period, and if you knew what you know now?

General WICKHAM. Well, I think there were changes. I think the Congress imposed some changes, the test category IV ceiling. I think there were some major changes——

Senator NUNN. The Army fought all of those, though; that's the point. I was over here fighting and I was talking to your predecessors and to Secretary Marsh's predecessors and they were telling me there was no problem then, and everything was fine, all the people were great, the finest Army we have ever had in the history of the Nation, best men I have ever seen, et cetera, et cetera, et cetera. I'm trying to find out now before we get back into that cycle, which I think is inevitable if the economy improves, which we all hope it will, what the definition of alarm is so that we won't have to go back through the 1978, 1979 kind of confrontations between the Army itself and the Congress.

General WICKHAM. I can't give you a definition of alarm. I indicated to Senator Tower we are seeing some signs here. We're disturbed about them; we're taking actions to rectify the situation. The pay increase here was substantial. The Congress can help us deal with the realities of an adverse marketplace by maintaining the attractiveness of enlisting in the Army, Navy, Air Force, and Marine Corps, and the attractiveness of retention.

Senator NUNN. Would you try to—and I am not asking this morning—I know that's impossible to ask you to define it this morning—but I would ask you and Secretary Marsh if you both, for the record, would try to give us a definition of quality that you think is essential in order to maintain the kind of Army you believe is necessary.

General WICKHAM. Yes, sir, we'll do that.

Senator NUNN. And at what stage alarm would set in. I am not asking you to endorse the draft at this stage. I am just saying at what stage do we need to make a very significant change, because I think history is going to repeat itself. It is just a question of time.

[The information follows:]

QUALITY OF THE FORCE

I would define a quality soldier as an individual who is aware of his place in history, capable of leadership on the modern battlefield and possessing those basic character traits which would allow him to perform with a minimum amount of motivation, discipline and training problems. Allow me to address each part individually.

Awareness—The Secretary and I believe that a clear understanding of ones history and government on the part of all citizens, but particularly for soldiers, is an absolute necessity for an army defending a democracy. The need to understand why we have fought in the past and may be called upon to fight in the future makes better soldiers, and subsequently, better leaders.

Leadership—We have to have the people in the Active and Reserve forces who have the capability to step in and lead soldiers, as called upon some future battlefield. Today's privates are tomorrow's sergeants.

Motivation, Discipline and Training Problems—Problems of this type hamper combat effectiveness. We have found that high school graduates and soldiers scoring in the upper mental categories (upper 50 percentile) on the Armed Forces Qualification Test (AFQT) are well motivated, are less inclined to get into trouble, and stay trained longer.

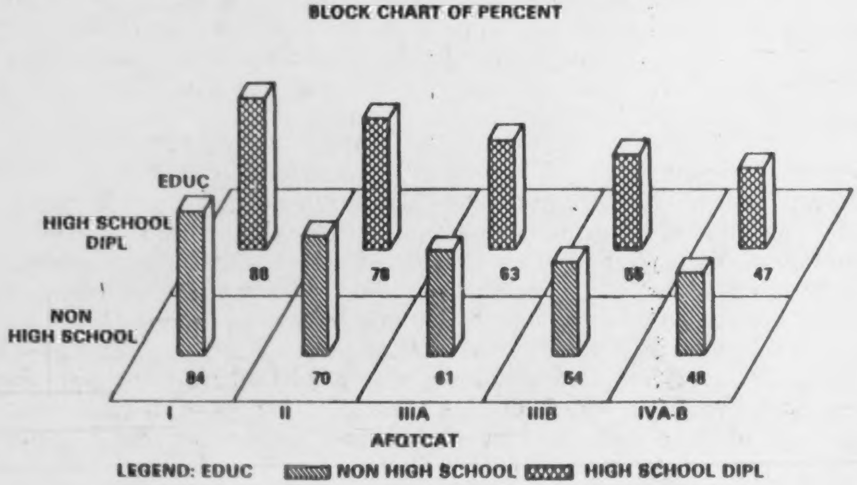
We believe these elements are essential to future combat effectiveness and, building an army that can make maximum usage of the ideological advantage that this Nation provides.

A precise definition of quality is complex. Prediction of an individual's likely potential for military service has been the subject of numerous studies over the last 30 years. Potential has usually been defined by criteria measuring a person's trainability, continuation of service, and his level of performance during service. Three variables—education level, test scores, and age—have consistently demonstrated predictive validity for high potential. Several definitions are necessary. I will define an individual with high potential as one who is likely to become a quality soldier and NCO—a soldier who is able to perform effectively with a minimum amount of motivation, discipline, or training problems. To facilitate the management of enlistment standards and the reporting of test and recruiting results, the Army and other services have grouped AFQT scores by test category. In correlating test category to quality, there are three dimensions of quality.

My first measure of quality is performance. The best indicator of performance and NCO potential is observation. However, Skill Qualification Test (SQT) results are indicative of a soldier's ability to perform. This graph indicates the favorable correlation of a soldier's test category to performance.

PERCENT PASSING SKILL QUALIFICATION TEST

NOTE: ARI DATA ON 126,797 FIRST TOUR EM IN 19 MOS.



Pay grade and time in service to promotion are also indicative of soldier performance and NCO potential. A recent study comparing initial term soldier test category to time in service at promotion to E4 and E5 indicates a small but significant difference between categories I–IIIA and IV. Initial term I–IIIA soldiers are more likely to be promoted to both E4 and E5 earlier than test category IV soldiers.

The next criteria in the definition of quality is trainability. Two dimensions indicative of a soldier's trainability are test results and training time required to successfully complete courses/tasks. Both dimensions are reflective of an individual's ability to digest and use training that has been invested by the Army. The best indicator of an individual's trainability is test score (on AFQT and aptitude composites). Soldiers with higher AFQT scores and higher aptitude composites tend to score higher on Skill Qualification Tests. Soldiers with low AFQT/ASVAB scores forget more rapidly what they learned in their formal training courses and need more refresher training in units. In addition, to perform well on an SQT a soldier must master new tasks which are not taught in the formal training course which precedes assignment to a unit.

The final criteria in the definition of quality is motivation and discipline. A prime measure of motivation is attrition. Education level is the key factor as to whether an enlistee will complete his/her initial term of service. However, high AFQT scores are also an indicator of lower attrition in the first 6 months of service. Of male high school diploma graduates, test category IV, the lowest currently recruitable category attrition averages 31 percent higher than test category I–IIIA in the first 6 months of service. This attests to the fact that, within sex and education groupings, test category is an indicator of motivation and self discipline. Another measure is indiscipline. A comparison of fiscal year 1982 punitive discharges of skill level 1 soldiers (E1–E4) shows a disproportionate distribution. 31 percent of our E1–E4 population were test category IV, however, 49 percent of our punitive discharges were in this test category. Similar disproportionate distributions by test category of fiscal year 1979 and fiscal year 1980 trials by General and Special Courts indicate that lower test category personnel provided more difficulties than higher category groups.

The correlation of test category to quality supports the Army's current initiatives to upgrade the mental category of the force through recruiting and retention. Because of the operational and maintenance requirements placed on our NCO Corps due to the fluidity of the modern battlefield and sophisticated equipment our success in this endeavor is essential.

Finally, in response to your question regarding that point at which I would become alarmed, let me say that should I become convinced that we are on a course that will take us back to the manpower problems experienced in fiscal years 1978 and 1979, I will initiate and support those changes in our manpower acquisition process to include the application of additional resources if necessary, to preclude this recurrence. Let me reemphasize, however, that with the continued support of the Congress and the American people, I believe we will achieve our qualitative and quantitative manpower requirements.

CARRYING OUT U.S. MILITARY STRATEGY

Senator Nunn. Let me ask you, General Wickham, basically with your Army today, are you able to carry out the U.S. military strategy as you know it?

General Wickham. Yes, sir. As you know, Senator Nunn, and members of the committee, the Army and the other uniformed services provide forces to our unified commands for support of a number of war plans. Those war plans, we hope, will never have to be executed all at once.

Senator NUNN. Well, let me read you the strategy as Secretary Weinberger reaffirmed it yesterday. He does say this is the long-term goal, and I'm going to relate it to your capability in 1990:

> Our long term goal—

And he defines long term as 1990—

> is to be able to meet the demands of a world wide war including concurrent reenforcement of Europe, deployment to Southwest Asia and the Pacific and to support other areas. Given the Soviet capability to launch simultaneous attacks in Southwest Asia, NATO and the Pacific, our long range goal is to be capable of defending all theaters simultaneously.

Now, he sets long range at 1990. My question to you sir, is, If we implement the 5-year plan as now called for, the 5-year part Army has, will the U.S. Army be able to meet its part of that long-range strategy by 1990?

General WICKHAM. Yes, sir, I believe we will. There are going to be some deficiencies. We are moving to rectify our munitions war reserves. We will have some strategic deployability shortfall, as we indicated earlier here.

Senator NUNN. How about manpower? You don't have the manpower now to carry out your NATO assignments alone, do you, in the event of war? I'm talking about Reserve manpower.

General WICKHAM. From fiscal year 1984 to fiscal year 1985, we ramp up the National Guard and the U.S. Army Reserve some 34,500, as I indicated. The IRR, we hope with the incentive programs that are established, will be filled by the end of the program period. We are still going to have the smallest Army in 33 years.

Senator NUNN. Well, aren't you saying then that, yes, but, and the but overwhelms the yes. That is what I am hearing. The buts relate to how you get them there and the number you have there and what you're going to do when you get there, and those buts are the whole thing, it seems to me.

The reason I am asking this question is that I think it is time for us to take a look at our military strategy, and I am not sure what it ought to be. But if nobody can define to me how, in an unprecedented amount of peacetime expenditure we are going to get to the end goal or even close to it—I know you don't ever get to completely what would satisfy military requirements—but even close to it, it seems to me that we've got to ask whether the goal is correct. Those are the questions that we need help from; we need professional military help. I assume that is what you and the Joint Chiefs do when you sit down each year. The JSOPS, isn't that what you're doing?

General WICKHAM. No, we call it JSPD, joint strategic planning document now, joint program assessment. We have gone through the DRB, the Defense Resources Board process, all of the Chiefs with the Service Secretaries. We anguish over this as you and other Members of the Congress.

Senator NUNN. Do you take that JSOP seriously, or is that just an exercise in futility?

General WICKHAM. Well, the old JSOP used to be, you know, the unconstrained requirement, patently unaffordable. The JSPD, the joint strategic planning document, has an attainable risk-reduction force. The risk-reduction force is almost parallel—probably a little bit higher—but almost parallel to what is in the Defense Department POM submitted here, the 1985 budget year plus the follow-on years.

We believe that the forces we are provisioning, asking the Congress to provision, are reasonable in terms of attainment and reasonable in terms of dealing with the nature of the threat as we see it. It is not everything we would want. It is not as high as the JSPD requirements.

Senator NUNN. I hadn't been able to get anybody to show me how you get the IRR by 1990 up to that level. I haven't even seen a wish list with everything going right to get your manpower up there. I haven't seen the Air Force or anybody coming close to the lift, as Senator Goldwater talked about, I haven't seen that in anybody's plan. When you get away from the Army and simply look at the Air Force and the number of planes we're losing every year with attrition and then look at what we are paying per plane now, I can't find anybody that projects a numbers game in terms of numbers that makes it. I am having a great deal of difficulty plugging these holes. It is becoming more frustrating to me, because the American people, I think, have a right to look at all of us, whether it is the Army, or the committee, or the Navy, or the Air Force, and say, we're paying a lot of money, got a lot of allies that are paying a lot of money, together we are outspending the Soviet Union and the Warsaw Pact, and yet we've got our top military man in Europe that over and over again is warning us that in spite of all of that, we are going to have to go to nuclear weapons at the very outset of any kind of confrontation. That is not the kind of scenario, if I were an American taxpaying citizen, that I would want to have my Government employ. I would ask some tough questions if I was out there paying the taxes and somebody told me we're going to have to turn to tactical nuclear weapons at the beginning of any kind of war, when we're spending this kind of money and our allies are spending this kind of money, and nobody can project how we ever get down the road. I am not blaming you, General Wickham; my frustration is just flowing here. I congratulate the Army on a lot of initiatives that you are taking. I'll come back to that.

Senator Goldwater, my time is up.

PROCUREMENT OF AH-64 HELICOPTER

Senator GOLDWATER. Thank you.

Mr. Secretary, the Army, I believe last evening, signed a contract with Hughes Helicopter for 112 AH-64's for fiscal year 1984, is that correct?

Secretary MARSH. Yes, sir.

Senator GOLDWATER. I am also told that the TADS PN's contract with Martin-Marietta has not been signed.

Secretary MARSH. Senator, it is my understanding, as of yesterday afternoon, that that phase of the contract was still in negotiation. I am not certain where that stands as of today. Do you have something on that, General?

General WICKHAM. No, I don't. You're right, we haven't signed it.

Senator GOLDWATER. That's because they're asking too much money for it.

Secretary **Marsh**. We are seeking to negotiate the price down.

Senator **Goldwater**. I just want you to know that my Subcommittee on Tactical Warfare, which this system comes under, is not going to approve any contracts where the price is too high. Now, we reduced the AH-64 down by $2.5 million by that kind of——

Secretary **Marsh**. Senator, I recall, probably better than anybody in this room, what your attitude is on that subject.

Senator **Goldwater**. Just get the word to them; get the word.

Secretary **Marsh**. And I'll pass the word, because I remember when we went through a similar difficulty 3 years ago——

Senator **Goldwater**. And I've got nothing better to do than go through it again.

Secretary **Marsh**. And you don't plan to go through it again, yes, sir.

10,000-MAN DIVISION

Senator **Goldwater**. All right.

General, I imagine you remember your early days at West Point when you were studying Clausewitz, and the constant reiteration in his preachings about the efficiency of smaller units. We have witnessed through every war we have ever participated in, particularly World War II, and more particularly than anything, the Grenada experience, that small forces properly trained, and properly provided for, can do more damage to an enemy than large forces in the same situation. I think back to the days of the Indian Wars, for example, when 200 Indians in my State fought half the U.S. Army and beat the daylights out of them. [General laughter.]

General **Wickham**. We need more of those Indians.

Chairman **Tower**. That's because the Confederate Army had sapped off all the good soldiers. [General laughter.]

Senator **Goldwater**. No, the real trouble was that half the Army we got were from Texas. [General laughter.]

Senator **Goldwater**. What I'm interested in is this concept of the 10,000-man division. I think we're long overdue in coming to this concept. I congratulate you on pursuing this. Now I think we have to do everything we can to augment it and to make it work and I keep getting back to this point that it takes transportation to make it work, 95 percent of a large army's lift is by sea. When you get into fast movement of 10,000-man divisions, you can do it by air mostly, both men and equipment. So I can promise you that through the Air Force we are going to do everything we can to see that this concept is workable and deliverable.

I can tell you that the Grenada experience did more to shake the Soviet Union than anything we have ever done. They never believed that we had the ability, the organization, or the courage to do what we did. And my guess is that there is a lot of shaking up going on in the Soviet Army and all their military forces right now.

I think the concept of the small division is a natural answer to the Soviet plan of attack with their large first force, second force, third force, where we can land behind the first echelon with a small division and disrupt the rest of their plans. And when the main force has no follow-on force, they're in bad shape, isn't that right?

General WICKHAM. Yes, sir.

Senator GOLDWATER. I just want to compliment you on coming up with this plan, and I think that the entire Armed Services Committee will back it. I think the American people will be well served by it.

I have nothing else, particularly, Mr. Chairman. I have mentioned this to General Wickham. This idea was part of a thesis I once wrote for a War College course that nobody has ever read but me. I might dig it out and pass it around. I think it will be easy for you to recruit troops to attain this elite division, which I think it will be called, rather than for a massive division of 16,000 to 30,000 men. So I congratulate you on this concept, and you too, Mr. Secretary. It is a good, wise step forward. I can't imagine anybody being against it, although I can promise you, we have some people around this Congress that are against anything.

That is all I have.

General WICKHAM. Thank you, sir. I wonder, Mr. Chairman, may I just make a couple of comments about Senator Goldwater's points there.

We take seriously your comment about the elite-type units. As a matter of fact, the Rangers that went into Grenada reduced their squads down to about six to eight men, because they wanted a high ratio of leaders to lead, to get the thing done. And we have taken to heart how we are organizing these small squads in our light division with a high ratio of leaders to lead.

Second, your emphasis about lightness, we also take to heart. There is more to the idea of the light division than just an organization. It is a mentality we are trying to create in acquiring equipment and resources. Almost a third of the weight of our ammunition in the Army is dunnage and packaging material. Now in this modern day we ought to be able to figure out how to make foam-filled containers that are much lighter. We are doing some research for near-term acquisition.

The people who manufacture our medium artillery have told us if you had asked for a lighter weight medium artillery piece, we could have produced one capable of being lifted by the Black Hawk helicopter. We didn't think of it. That's one on us. So we need to think that light may be better in terms of the strategic deployability, fulfilling the commitments—and getting back to Senator Nunn's point—our ability to be able to deal with multiple crises, hold one down to a lower level while we deal with a larger one at a higher level. So, these initiatives and concepts are part of the process and the Secretary and I appreciate very much your support.

Senator GOLDWATER. If I could make one comment. So many times we overlook, when we're talking about the size of forces in terms of manpower that Senator Nunn so assiduously explains from time to time, that the great strength of American forces throughout history has been our men. I think you will admit that you would rather have 1 American with you than 10 Russians. The great ability of Americans that I've seen, and one reason your attack on Grenada was carried out as it was with elite forces, is that you can kill a leader and another soldier steps in to take his place. You kill a leader in any other force, and that unit is dead. And I think, especially regarding this unique quality of every American soldier, maybe not everyone, but most of them—to step forward and fill the shoes of a fallen leader, to replace him, is one of our great strengths and we should do everything to emphasize it.

Chairman TOWER. Senator Bingaman?

PERSHING II

Senator BINGAMAN. Thank you, Mr. Chairman.

Mr. Secretary, I would like to ask about a couple of these weapons that you have in the budget. On the Pershing II, my understanding was that we were going to deploy 108 Pershing II's in Europe, and I notice in the procurement request that you are asking for 254 between 1983 and 1985. I wondered if there was an explanation of why we needed those extra 146.

Secretary MARSH. Senator, the reason for that is a number of those will be kept here in the United States in case they have to be used other places or for replacements, in addition to the 108 that we would have in Europe.

General WICKHAM. That's right, sir, and in open hearing I think we can't give some of the numbers, but the Secretary is exactly right; 108 deployed to Europe. We have a rotational base to maintain here. We have test firings that have to be performed. Obviously units have to fire one of these things every year or every 6 months, which is part of the total buy.

M–1 TANKS

Senator BINGAMAN. With regard to M–1 tanks, I understand from your testimony and from Secretary Weinberger's yesterday, that we have a tremendous shortage of tanks as compared to the Soviets, particularly in Europe. This morning you indicated problems with airlift and sealift, and getting our equipment overseas. But I also took it from one of the charts you had there called Reserve component modernization, that the expectation is that of the 720 tanks we are asking for this year, that 300 of those will go to the Reserves. Am I confused on that?

Secretary MARSH. There will be two battalions of M–1's that will go into the Mississippi National Guard. One battalion of M–1 tanks went into the North Carolina National Guard last year. Of course, many of the 720 tanks that we are requesting this year will go into the active divisions and a number will go to Europe. Some will go into storage sets of equipment there that we call POMCUS.

Senator BINGAMAN. Out of the 720, do we have a figure as to how many will go into Active Forces deployed overseas?

Secretary MARSH. I can get you that figure, Senator. I don't know whether we're dealing with those which are on the production line right now or those which will come off in several months. But two battalions of M–1 tanks will go down to Mississippi and will be roughly 126. The others would go into the Active Forces. Whether they go to Europe or whether they go to units that will be in CENTCOM, the Southwest Asia deployment units such as the 24th Division, I can't tell you right now. I can get that figure for you.

[The information follows:]

M1 Tanks to Forces Deployed Overseas

The number of M1 tanks that will be deployed overseas into active forces during fiscal year 1985 is 214 vehicles. All tanks will go to USAREUR.

Senator BINGAMAN. OK. Thank you.

DIVISION AIR DEFENSE GUN

Let me ask about this DIVAD air defense gun. I gather we approved 130 of those last year in the budget, and you have asked for 132 to be purchased in 1985, and as far as I am informed we still don't have any operational testing completed on those. Is that——

Secretary MARSH. That is correct. There is still a delay. There are some problems in the program that have caused a delay.

Senator BINGAMAN. When will we be able to see that? I expressed my concern last year about approving larger and larger quantities of these for procurement before that testing is done.

Secretary MARSH. It should be very shortly. A lot of the problems that are occurring I believe relate to defects, quality control, and workmanship. I think they are having some problems in mating the systems, the electronic systems and the turret, that type of thing. Do we have a date?

General WICKHAM. The Secretary is exactly right, Mr. Bingaman. We were supposed to have gotten 12 of those fire units by December, and we haven't accepted any because of quality control problems in the manufacturing and the pulling together. These are not insurmountable things. We've had problems accepting commercially produced vehicles into the Army from the assembly line. So it is not an uncommon thing, but you're right, we need to increase quality control efforts before we deploy them to the field.

Senator BINGAMAN. Well, I would obviously be anxious to see whatever test results you could give us before we have to vote in this committee on the funding of those extra 132, because we're producing a tremendous number, or buying a tremendous number of them without having test results indicating they work, and that is a concern to me.

General WICKHAM. Let me—if I can just comment about that, let me have that one chart.

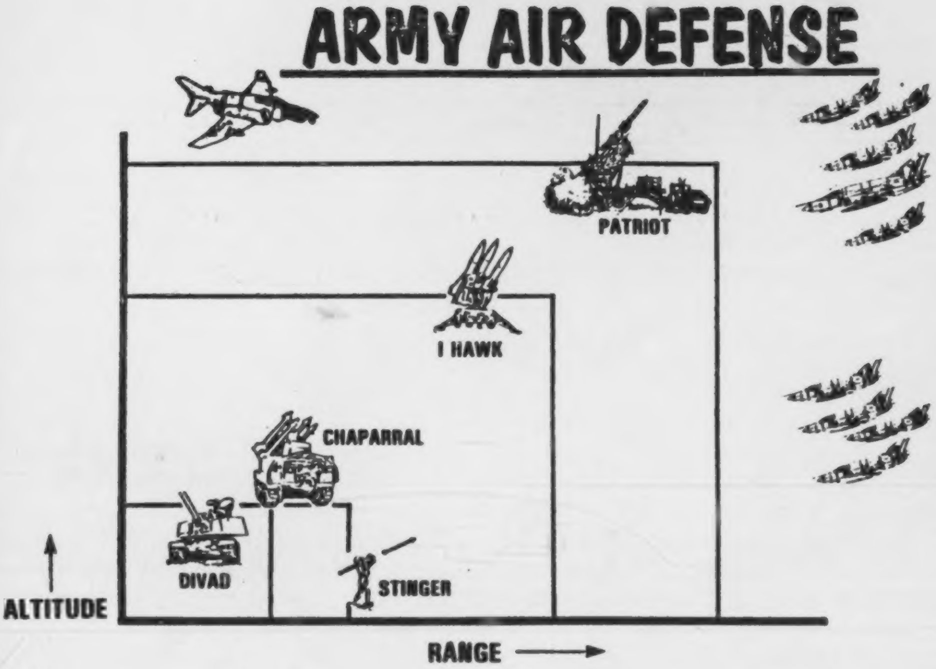


CHART 11

As long as you raised the question of air defense, sir, and you're right, we must not acquire systems that don't work, but the systems all are related, and I think this is something we all need to understand, absent any one of these pieces of a system, these are envelopes—I can't give you the numbers, because it is classified—range here, altitude here, but general envelopes for these systems, the Improved Hawk, the Patriot here, the Stinger, and we have some adjustments with the Stinger to make it even more lethal and more effective, the Chaparral missile system and the DIVAD. The DIVAD radar tracking here, lethal against helicopters, lethal against fast movers, low altitude. Absent this system, we have no mechanized protected vehicle to go along with our tanks, our Bradleys, our self-propelled guns. They are going to be vulnerable for any kind of enemy air attack. So you're right, we need to get it right and we need then to deploy the system.

PERMANENT FACILITIES IN HONDURAS

Senator BINGAMAN. Let me ask you also a question which I asked yesterday of Secretary Weinberger, and several others did too, and that is the Army's intentions with regard to permanent facilities in Honduras. That is something that has gotten in the press a great deal in the last day or two. I was there in December. It struck me that we were building very large airfields, most of which we did not see in any military construction request from the Army. I'd be interested in knowing what you intend to build there of a permanent nature, and second, how much of this we will see in our military construction request from the Army.

Secretary **Marsh**. Well General Wickham may want to add to what I am going to say. One of our recent exercises, Big Pine II, was a joint exercise, and the Army was one of the participants. There are plans, as the Secretary of Defense indicated, to conduct other training exercises in that area—they are in the nature of joint exercises—and give us additional opportunities to use our facilities and train our troops in that particular type of environment. Very importantly, these exercises teach us something about working with friendly forces of other nations.

There has been some discussion of the construction there of what have been termed huts and this sort of thing to house soldiers. I'm sure you saw those when you were there; I saw them when I was down there. One of the principal reasons is in that particular environment the use of the regular canvas squad tent will cost more. Tents will not last as long as these other types of facilities which have been constructed at a far less cost.

The next exercise will have another operational name. I have not seen a funding profile on it because I am not aware that it has reached its final approval state. Until then I cannot tell you. But exercises of this nature are for training and incidentally, we conduct many similar exercises in other areas of the world in addition to that particular area.

Senator **Bingaman**. So it is your thought that we will not build any permanent——

Secretary **Marsh**. I know of no plans for permanent facilities there. The only facilities that have been built there has been the regional military training center. This was built to assist in training advisers for infantry forces from El Salvador and Honduras. That facility is a modest type of thing, somewhat similar to the squad type facilities I mentioned earlier.

Senator **Bingaman**. You don't consider the Comayagua airstrip there to be a permanent facility, or the Aguacate air strip?

Secretary **Marsh**. I would say a lot of the construction was done by the engineers. It gave them an opportunity to do the kind of construction they might be required to do in a combat operation. To me, whether it becomes a permanent facility would relate to whether or not you're going to put more capital improvements there by way of instrumentation and other buildings. I am not aware of plans to do that, and I am not sure whether it would be in our budget if it were.

General **Wickham**. If I could just pick up on the points there and echo what the Secretary has said. There obviously have been some effort by our engineers in lengthening runways and preparing the bed for the runways as training. It is training which we can't do in the United States.

Chairman **Tower**. If I may intervene at this point, General, to respond to Senator Bingaman's question. This committee did authorize some $15 million military construction, two airfields in Honduras.

Senator **Bingaman**. Are those the two?

Chairman **Tower**. It's La Cieba and Comayagua.

Secretary **Marsh**. Comayagua is one of them, right.

Senator **Bingaman**. Aguacate is not?

General **Wickham**. No; now, there is some money I believe, I stand corrected on this if I am in error, it's maybe in the Air Force budget, some Milcon money to start an airfield at Puerto Castilla. So there is—I believe there is some——

Chairman **Tower**. That is in the 1985 request. We'll have a chance to scrub that one.

General **Wickham**. There is some resourcing there for military construction. Now, the sea-huts, those—you've seen them. They are just wooden things necessary for living.

COST OF MILITARY EXERCISES IN HONDURAS

Senator **Bingaman**. Let me just ask one other question. My time is up, but I would be interested in knowing if we have a cost figure for the military exercises that we have conducted in Honduras to date. You indicated we don't have a figure for the upcoming ones; do we have a figure for what has already been done down there?

Secretary **Marsh**. Senator, I am sure we can supply it for the record. I do not have it myself. As I mentioned, that was a joint exercise, and that may have been funded out of exercise money at DOD.

General **Wickham**. That's right, but we need to pull it all together. There's exercise money in there, operation and maintenance money, the pay for our soldiers which is paid anywhere, wherever they are, is a factor.

[The information follows:]

Military Exercises in Honduras

In response to a question asked of the Secretary of Defense at the committee's February 1, 1984 Defense Posture hearing, information on the cost of military exercises in Honduras is being developed by the services and the Department of Defense and will be provided to the committee by the Office of the Secretary of Defense.

Chairman **Tower**. Senator Cohen?

Senator **Cohen**. Thank you, Mr. Chairman.

I'd like to echo your remarks, Secretary Marsh, about the effectiveness of the chairman of the committee in terms of helping to maintain and indeed enhance a strong military capability. And I say that without any expectation that he will increase the budget for the Bath Iron Works frigate program. I sincerely mean that.

RECRUITING AND RETENTION

I was interested in the chart that was up, General Wickham, the one that you were responding to with reference to Senator Nunn's questions, because I think he does raise a valid point in terms of at what point in time do we have to consider some, perhaps alternative strategies, either of manpower or indeed tactical strategies as well. But in that chart I don't think it pointed out, for example, when you had the high point of the category IV and III's that was exactly the timeframe in which Congress cut the recruiting budget. We said that things were going so well, we decided to cut back on the budget altogether—not altogether, but substantially reduce it. So, Congress had a major role to play in terms of cutting back on your ability or the Army's ability to attract——

General **Wickham**. Well, I thought I tried to make that subtly.

Senator **Cohen.** Well, you were too subtle, because it is not reflected in the chart, and that is a factor that we have to consider. Similarly, when you show the good numbers down between 1964 and let's say 1974, during the period of the draft, we don't see the attrition rates, we don't see how long those qualified people were staying in, and we don't see the AWOL factors as well. And I think that the chart itself is important but it doesn't tell the entire story, and part of the entire story is we've had some major gains, not only in the recruitment of more highly motivated, highly qualified individuals, but individuals who stay longer, who go over the wall less often. And those successes aren't reflected in those charts, and I just thought that point ought to be made, notwithstanding the fact that I believe Senator Nunn raises a valid point in terms of what future requirements are going to be needed.

Second with respect to Senator Goldwater's statement about the Indians wiping out the Army at that point, I suspect the Indians were practicing maneuver warfare according to Jeff Record's analysis on that.

CHEMICAL WEAPONS

I would like to turn to the issue of chemical weapons. Mr. Secretary, you raise the issue that you need Congress' help and advice on this, and I think we need some help, too. On page 49 of the posture statement there is a statement to the effect that our current offensive capability "is inadequate due to its age, configuration, and composition." And this statement appears to be somewhat at variance with the report on chemical retaliatory stockpile status review that was put together by a blue ribbon commission at the request of DOD. And I was wondering if you are able to reconcile the differences between that Commission's finding, which tended to minimize the loss or leakage or the inadequacy of our current stockpile compared to the statement that is contained in the posture report. I don't expect you to do it right now, but I think it would be important for us, since we're going to be faced with this issue again. It is very controversial. There has been a reluctance on the part of Congress to approve it, and yet we have staring at us this particular report, and I think we ought to find out what the basis was. The report, for example, said that as to the future condition of the retaliatory capability, that we have insufficient evidence, either qualitative or quantitative, to predict with any reliability what the condition will be in 1990. They also made some recommendations with respect to what we might do with respect to storage of the existing chemical weapons stockpile to preserve for a longer period of time its efficiency and effectiveness. And I would like to know what we have done pursuant to that particular panel's recommendations to deal with that issue, in view of the fact that we may not be able to go forward with any kind of modernization program. So if you could do that, feel free to comment on it now, but if you are not capable of doing that——

Secretary **Marsh.** Senator, we'll be happy to augment the record with that and also comment on it.

As I think I pointed out, one of the greatest shortfalls that we have, vis-a-vis Soviet capabilities, is in the field of chemical weapons. We know they have an extraordinary capability. We know that they have tactics that envision its use. Where this impacts the greatest is in Western Europe in the NATO alliance. We know that our forces will be driven into wearing protective clothing which is cumbersome, very awkward, and we anticipate having to fight in this protective clothing. Our adversaries probably will not have to wear similar clothing because their chemical weapons will be employed at times when winds are favorable to them. This will be an enormous disadvantage to us.

For those who raise questions about delivery systems, we simply have to look at the current inventory of chemical weapons systems. You can deliver these chemical warfare munitions by the artillery and rocket systems that we have today. But when you look at our stockpile, I think that you will see that we are short in some of the areas where we might have to make delivery for retaliatory purposes. Even more importantly, those munitions are old. They are just simply very, very old. I think we are in harm's way and are placing at great jeopardy U.S. service personnel who may be subjected to that type of attack—an attack which could be avoided with a retaliatory capability.

Senator COHEN. I am not disagreeing with what you said.

Secretary MARSH. I know.

Senator COHEN. I just want to make sure that we have an analysis of why this report that was done——

Secretary MARSH. And we will give you that analysis.

[The information follows:]

CHEMICAL WEAPONS STOCKPILING

The statement on page 49 of the Army Posture Statement that "our current retaliatory stockpile is inadequate due to its age, configuration, and composition" is accurate and in consonance with the findings of the Office of the Secretary of Defense's Blue Ribbon Panel on Chemical Stockpile Condition.

The Blue Ribbon Panel's charter was a narrow one, being limited to an examination of the present and projected (to 1990) physical condition of only the 155mm and 8-inch artillery projectile and the air delivered bomb components of the total stockpile. It was a technical review of the actual and potential deterioration of the metal components and chemical agent that make up these munitions. The panel focused on that portion of the stockpile that is the most useful, and in the best condition (about 7 percent of the total). The panel's findings are not reassuring. They confirmed that some agent in these munitions has decomposed (although presently not enough to jeopardize their usefulness). They voiced concern that the phenomenon of flashing in our persistent agent (VX) artillery projectiles (agent burning during dispersal thereby reducing its on target effectiveness as much as 70 percent) may be more common than originally believed and may be aggravated by agent decomposition. Even more disturbing, the panel concluded that there is insufficient evidence to reliably predict the condition of these munitions in 1990. They stated that:

"Currently, it would appear that by 1990 decomposition of the agent could be as little as an additional 5 percent, or so great as to render the munitions almost useless. It is our best estimate that at least 50±10 percent of the agent should still be present in 1990, and at least half of the 155mm/8-inch artillery munitions should meet the Army standards for being fully usable with respect to agent. However, it is within the range of possibility that catastrophic decomposition could occur, due to stabilizer disappearance or other factors, yet unknown."

On the plus side of the ledger, the panel did find that the metal components of the munitions are holding up reasonably well. They recommended a number of measures that may fill data gaps and possibly extend the useful life times of some of the agent. The Army has studied these recommendations and is implementing them where it can cost-effectively do so.

The Army Posture Statement on the other hand, focuses on the military usefulness of the total stockpile. The key questions are: do we have the right types of agents in the right kinds of munitions and in the right quantities to be used effectively within the context of modern battlefield tactics and conditions? The answer is "no" on all counts. Additionally, age and condition, as addressed by the Blue Ribbon Panel, are also of concern to the Army. These factors undermine our confidence that the current munitions will perform as designed, if put to the test. The disparity between munitions on hand versus the munitions that will be required on the modern battlefield cannot be remedied by upgrading the condition of the current stockpile. No amount of husbanding of the present stocks will cure the critical deficiency of being unable to influence the deep battle with presistent chemical agents. We simply do not have such munitions. Without a deep-strike (persistent agent) capability, U.S. commanders will be unable to attack Soviet follow-on forces (to wear them down) nor be able to affect the logistic lifeline that will sustain the Soviet forces in their attacks. Further, the stockpile has insufficient 155mm nonpersistent (GB) rounds to meet identified requirements. Unless we provide modern chemical artillery projectiles, we will be unable to force Soviet attacking units to adopt the performance-degrading protective posture we will have to assume because of the Soviet chemical first strike threat.

The Blue Ribbon Panel findings and the Army Posture Statement both highlight, in a complementary way, the critical need for modernizing the U.S. chemical weapons stockpile. Because the production base construction and weapon acquisition processes are long and complex, we need to move ahead now with measures keyed to preparing for production—continued work on the production base and acquisition of longer lead time munition components. Such prudent, carefully measured readiness steps are vitally needed to give us the ability to proceed with modernization in a reasonable time span, should the President and Congress find it necessary to do so.

DRUG ABUSE

Senator COHEN. Another commission that was formed dealt with the drug use or abuse within the military. I am referring to the Eisel Commission; are you familiar with that? They indicated that there should be some reconsideration of the ways in which people have been expelled from the service, based on positive test results from tests that were inadequately conducted. My understanding is that the Army and Air Force both have decided to reverse some actions taken during April 1982 and November 1983. How do you identify those cases where the faulty analysis may have occurred? What kind of procedures are you following?

Secretary MARSH. You may want to add to this.

We have established a very senior oversight committee headed by the Surgeon General. We have had the issue reviewed by our own blue-ribbon committee to identify the areas of concern and are now seeking to implement a program using the offices of the Surgeon General and his experts to review the test results we currently have. The problems are occurring with the test results—and they are not limited to the Army—are the result of a very determined effort by the services to drive down and, if we possibly can, to drive out of the service the use of marihuana and other drugs. We are having considerable success. We're well below our peer group on the civilian scene. If you were to surprise a unit with a sudden test, you would probably find even dramatically lower results. But there have been certain questions raised on some of the tests. We are cognizant of the concerns involved. Some of the individuals who were tested received no punitive action at all, so they could not have been harmed by it. But what we want to do is go back and see if there have occurred certain unfairnesses which need to be redressed. We will then seek redress.

General WICKHAM. If I can just add on to what he said, Senator, the drug abuse is down in all the services. The self-admitted use of drug abuse has dropped in 1 year, as an illustration, from about 31 percent in 1982 to about 22 percent in 1983. Now as the Secretary indicates, when we go out and test for drug abuse with these spot checks, urinalysis checks, we lean to very conservative standards in testing, so you might only come up with 4-percent or 5-percent positives. Now the incidents you raise there, with egg on our face, we have had problems in our labs, Navy labs as well as Army labs, we had some problems with impure chemicals we were using that produced questionable results; we had problems with the chain of custody of the samples, bottle samples. So we have gone back and tried to fix the problems. I think we have got them fixed. Therefore, because there were several thousand soldiers who might have been adversely affected by the effects of these problems, we have to figure out how to look at what happened to them.

Senator COHEN. My time is up. I just want to make one observation, Mr. Chairman. I was interested in the conversation or the dialog taking place about the need to put more modern equipment into the Guard and Reserves, and I agree with that. I did find out an interesting reaction from some of the Navy personnel, in dealing with F-18's or high line items going to the Guard and Reserves. There was quite a reaction from pilots who didn't like the fact that they might get shortchanged on some of the top of the line items to go to "week-end warriors." I found a morale problem developing, at least in one instance when I visited an installation—a lot of resentment. I was wondering will you have a similar problem with putting this advanced equipment into the Guard and Reserves, which I think has to go. I will talk to you more about this later. My time is up.

Chairman TOWER. Senator Levin?

SIZE AND ADEQUACY OF THE DEFENSE BUDGET

Senator LEVIN. Thank you, Mr. Chairman.

Welcome, Mr. Secretary, General. At yesterday's hearing, I told the Secretary of Defense that the $305 billion budget that he is requesting for the fiscal year represented the wrong defense spending priorities for our Nation. Too much money for unnecessary strategic nuclear weapons, and too little for long-overdue improvements to our conventional forces, especially in the combat-readiness account.

The Army's budget that we are going to hear about today, or have heard about today is an example of these backward and militarily unjustified priorities. Plainly put, it is too small to permit the Army to accomplish its critical national defense missions, and it has been kept that way to fund the wasteful strategic nuclear programs.

No doubt, some will defend this Army budget as sufficient to meet our true security needs by stating that it represents about 10-percent growth since 1984 after excluding inflation effects. They will imply this means the administration is addressing adequately our conventional forces deficiencies.

But upon what is this 10-percent real growth founded? On the lowest budget base of all three major services. And of all the services, which one needs the most improvement and modernization relative to the Soviet threat and to where we have nonetheless invested the least defense dollars in the last 16 years? In the unglamorous, unmodernized, and usually neglected Army.

During the 1970's, the alleged decade of neglect in defense spending, the only service which truly was starved for budget resources was the Army. As the Air Force modernized its forces with a new generation of aircraft, F–15's, F–16's, and A–10's, and the Navy built new ships and aircraft, the F–14's and A–6's, the Army averaged a real decline in its budgets of about 5 percent each year.

For the past 16 years, 1970 to 1985, the Army has had the lowest real growth, if any, more often than any other service, almost three times more often than the Navy, and more than twice as often as the Air Force. The Army, in other words, has had the lowest growth in 9 of those years, the Navy in only 3 of those years, and the Air Force in 4 of those years. In other words, in 14 of the last 16 years, the Army has actually received the lowest or second lowest real growth rate.

The upshot of all this is that while the Navy and the Air Force can point to many areas in which they are qualitatively or quantitatively superior to their Soviet counterparts, the Army enjoys few such advantages at the present time. This sorry record leads to the inescapable conclusion that our defense programs, especially in recent years, have been terribly out of balance in terms of meeting our security needs. It means we have underfunded the Army for far too long while building up the Air Force and the Navy, despite the fact that we rely on our Army as our first line of defense in NATO Europe, South Korea, Central America, and even Southwest Asia, where Army units are an important part of the Rapid Deployment Force.

Given all this, one would expect that our defense priorities would give the Army the highest real growth in our defense budgets each year, not the lowest, yet the fiscal year 1985 budget now before us simply perpetuates the unwise trends of the past. The Army is dead last again in real growth. Its 10-percent real growth is far less impressive when compared with the Air Force's approximately 18-percent real growth and the Navy's 15-percent real growth in 1985.

When specific programs in the budget are examined, the picture becomes even gloomier. In 1985, the Air Force is expected to spend over $8 billion for the B–1B bomber and $5 billion for the MX missile. Those numbers will be even larger in fiscal year 1986 in each program. The President's "Star Wars" missile defense system will cost a relatively small amount of dollars in 1985, but in the next few years its price is expected to skyrocket to a total of about $24 billion. While the Air Force is getting billions for nuclear weapons, the Army's 1985 budget request for M–1 tanks and 155-millimeter self-propelled howitzers actually are well below the production levels which we approved just last year. For instance, we approved 120 howitzers, and now we're going to reduce that, if this budget is adopted, to 70. We approved 840 tanks; that would be reduced to 720. And those are just two examples.

The administration's request now for new Bradley fighting vehicles actually is well below the number it said, just in last year's defense budget that it would procure in 1985. Fiscal year 1984 projection for 1985 was 830 vehicles, and now the request is only for 710 vehicles.

Whenever the administration sells its unbalanced defense budget, it flashes charts showing that the Soviets outproduce us by wide margins in many weapons categories. Usually those comparisons are distorted because allies on both sides are excluded. Tanks, other armored vehicles, and artillery, mortars, and rocket launchers always are displayed. Unfortunately, even when you include the allies on both sides, the Warsaw Pact still outproduced NATO by significant margins in these Army weapons between 1974 and 1983. Yet as I mentioned, the administration's response to this real imbalance has been to reduce the production plans for these programs, thus making the imbalances worse.

If we bought two less B-1 bombers in fiscal year 1985, we probably could restore the production plans in all three of these high priority Army modernization programs.

ARMY'S COMBAT READINESS SHORTFALLS

Now let's look at the rest of the Army's budget as outlined in the joint posture statement submitted by Secretary Marsh and the Chief of Staff, General Wickham. It is just full of references to the Army's combat-readiness shortfalls. And I am just going to mention a few from your report, because I think this is important in terms of our readiness in conventional strength.

There are shortfalls in the ability to mobilize enough skilled manpower. Reserve components that failed desired readiness standards, especially in the combat-service-support forces. Critically low war reserve stocks to replace expected combat losses, especially ammunition. Insufficient decontamination equipment for chemical warfare. Shortages of experienced NCO's in the combat and intelligence troops. Serious shortfalls in the logistics over the shore equipment delivery capability so important to our Rapid Deployment Forces. A depot maintenance backlog, even though this administration pledged 2 years ago to reduce such backlogs to zero at that time. Major shortages for supporting systems and equipment, including battlefield recovery, ammunition handling and distribution, and petroleum distribution.

Other known Army shortfalls are not even enough individual clothing and equipment to outfit the required number of recruits upon mobilization, and probably not enough money in the 1985–1989 defense program to buy enough. The $1.6 billion backlog in facilities maintenance and repair, with no reduction to manageable levels until fiscal year 1989. Possible reduction in ammo procurement rates in 1985, despite ammunition shortfalls. Major shortages in Reserve and National Guard equipment, even at the end of the 1985–89 program. A shortage of more than 50,000 tactical vehicles, even after the 1985–1989 program. A $1.25 billion set of deficiencies in laidaway ammunition production base facilities and equipment, according to the GAO, with only about $150 million in the Army's 1986–90 plans to begin to address it.

This list does not even address the Army's continued modernization needs in such areas as attack helicopters, communications equipment, and new howitzers.

That such a list exists is an indictment of both past administrations and the present one when it comes to the Army. At a time when it is spending tens of billions of dollars on the B-1 bomber and the MX missile, to say nothing of its plans for "Star Wars" defenses, this neglect of these important readiness needs is very troubling to me.

One of the best deterrents to nuclear war as NATO Commander General Rogers has said, is to have strong conventional forces. We should be investing more in our ground forces, who will be the first to brunt any Soviet attack and thus lower the need for us to resort to nuclear weapons. We should be spending less on pie-in-the-sky missile defenses, nuclear bombers which will not penetrate long enough, or nuclear missiles that will be vulnerable once they are fully deployed.

As our committee continues its deliberations, I hope that it will keep uppermost in mind these conventional shortfalls and recognize that they are the inevitable legacy of both past neglect and the present unbalanced defense priorities of this administration. And I hope that Congress will be able to set these priorities right this year.

I don't know if I have any time left, but if I do, I would like to ask a few questions.

CONVERSION TO LIGHT DIVISIONS

General, there has been much discussion of the Army converting some of its divisions to light divisions. You have been the prime architect of this plan. This does not mean, as I understand it, that the Army will have less of a need to continue to modernize its heavier divisions with the fighting vehicles, tanks, helicopters, and other weapons already in the modernization program. Am I correct in this?

Chairman Tower. Senator, we have gone into this pretty extensively already. I think you'll find the record might be pretty complete on that topic.

General Wickham. Short answer, no. No change. Heavy divisions will continue to modernize.

Senator Levin. And to have the same modernization needs as they did before.

Why is it, when it comes to creating a new division, the other forces are able to increase their end strengths, but the Army has to take it out of its current end strength.

General Wickham. Well, I can't speak for the other services, Senator Levin, but I would say we believe we can do this because of efficiencies, capitalizing on technology, capitalizing on some organizational changes, and we believe it is an idea whose time is right, and we believe we can do it within the 780,000 end strength for the active structure.

Senator Levin. Thank you. My time is up.

Chairman Tower. Senator Quayle?

Senator Quayle. Thank you, Mr. Chairman.

First of all, I don't want Maine to get everything, and I wasn't here when Secretary Marsh made all those nice statements about the chairman, but in all seriousness, as a junior member, I would like to be associated with both gentlemen's statements and pay tribute to what you have done. Having said that, you know there is not a whole lot in the budget for Indiana, so you know it comes from the heart, Mr. Chairman, rather than from the palm of the hand. But in all seriousness, I just want to be associated with those statements.

QUALITY OF THE FORCE

General Wickham, just reading through your statement, you said: "It is the best Army I have seen in 34 years of service." That is a rather dramatic statement. There has been a lot of discussion with Senator Cohen and Senator Nunn concerning that chart as a point of reference where at least it was a very low period in the Army's history as far as personnel in the late 1970's, particularly with the category IV's increasing considerably, and the Congress moved to restore that. And now you say after a period of 5, 6 years, that it is now the best Army that you have seen in 34 years. Is the main difference that it is now the best Army where we had a very low point in the late 1970's, is that predicated mainly on the personnel changes that we have witnessed in the Army, or are there other factors that need to go into what we have been doing over the last 5 or 6 years to get it at the place where you describe it today?

General **Wickham**. It is a compendium of factors. The quality of young men and women coming in are clearly very bright, high mental categories, motivated, they want to be in the Army. If you look at the indices of indiscipline. AWOL's, desertions, drug abuse, crime, they are all down, and that is chart 15.

Senator **Quayle**. I don't mean to go back to the charts. I am just trying to get in my mind the rationalization for going from a rather low point in the Army's history, in the last 34 or 35 years, which would be the late 1970's to where you describe it as the highest point, and obviously the personnel is the major factor.

General **Wickham**. Attitudes of the American people I think are far more supportive. For example, a little story. Maybe a story tells more than a thousand words. I got a letter from a citizen who was on a commercial airliner flying into Texas, Senator, and the stewardess, as the plane was about to land, said over the PA system, I just want to say something about these 20 recruits we have in the back of this airplane, these young soldiers are just out of basic training. I have been flying for 15 years in these airplanes, and I have never seen finer looking soldiers than these 20 recruits in this airplane, and everybody in the plane cheered and clapped. Well, those soldiers got off that plane and they scraped their heads on the door, they felt so good about it. I think the attitude of Americans is part of it. The support of the Congress is part of it. Senator Levin's comment about modernization, yes, we are projecting 10.2 percent real growth rate in the budget. Doing a little better this year than last and we look for support of the Congress.

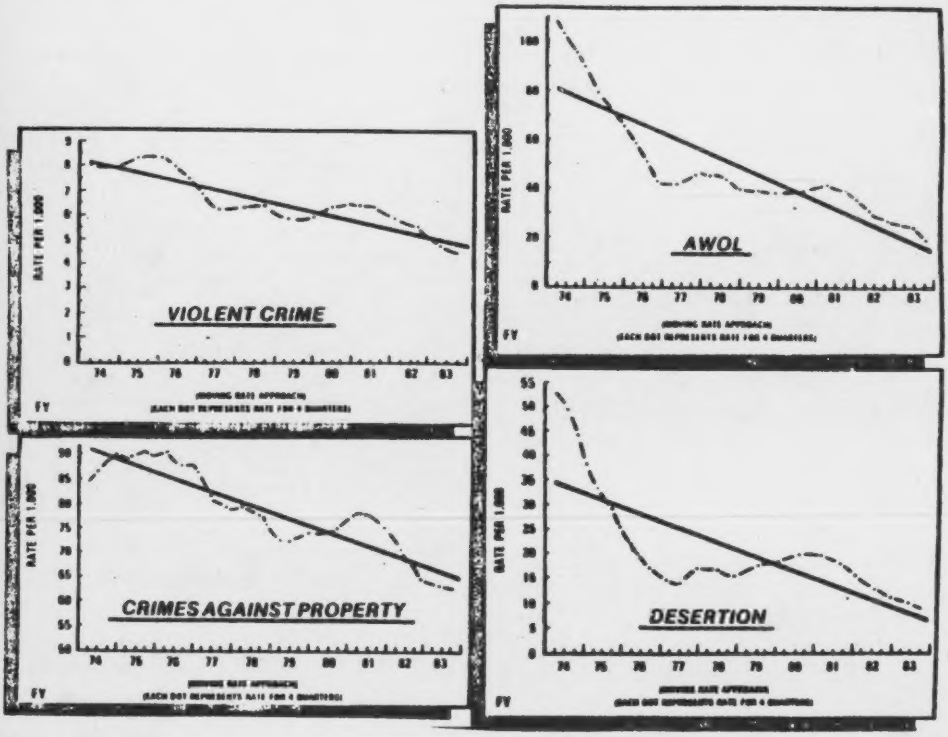


CHART 12

Let me have that chart just to make a point here. The rate per year, they aren't important, the numbers on here, but from 1974 out through 1980, violent crime down, there is your trend line. AWOL's, we're at the lowest rate of AWOL's in our Army's history. Desertion, way down. Crimes against property, way down. Something is happening. The quality is there; the climate is there. I think it shows in the numbers.

Senator QUAYLE. You are definitely on an upward swing there. There's a lot of contributing factors to that. There is no doubt the recession was a contributing factor to the quality of recruitment, the lack of jobs. You had a bigger pool to look at. You have the post World War II coming—the demographics show there is a larger availability 1978 through 1982. If you look at the next 10 years on the demographics, the number of eligible people who are going to come of age for the Army, does that give you pause for concern, or do you think if we just keep this attitude situation going as high and the Congress supports some of your endeavors, that we won't have any problems?

Secretary MARSH. Let me make a comment, and General Wickham might want to add to it based on his own experience. When you look at the demographics, the recruiting pool will be down. Naturally that causes us concern. But the Army has learned some things in the last 10 years about recruiting. In 1979, under the efforts of General Max Thurman, who is the Vice Chief of Staff, we structured the modern Army recruiting program. We know there are certain appeals we can make and there are certain things we can do to enable us to recruit and attract the type of people to our force. College benefits are a powerful incentive. The upper mental categories can take advantage not only of the veterans educational assistance program (VEAP), but they can take advantage of what we call kickers or additional bonuses. The retention bonuses are powerful factors.

Because of what we know about preferences on recruiting—we track recruiting all the time from the standpoint of preferences—the Army is going to continue to need certain advantages or aids in order to keep the kind of force we now have. These benefits are going to have to be not only in pay and benefits. They are going to have to be in the form of improvements where the soldier lives and where he works. These are very important. You go to Europe now and you see motor pools located in the mud. Those are being repaired or replaced. Our soldiers have got to have those incentives.

Many of these young people are coming in—many of those youngsters in the Rangers in Grenada are college bound. We know we can reach the college-bound youth if you will help us in certain ways in structuring our recruiting program. And structuring will be the answer in the years ahead, because if you get right back down to it, fundamentally the responsibility for maintaining the Armed Forces does not lay with the Department of Defense. Article 1, section 8 of the Constitution places the obligation to raise armies and navies clearly right here on the Congress of the United States. And if you want to continue to raise those kinds of forces, we're going to have to continue to give them those kinds of incentives. You've done it. The pay increases you have given us have been enormously helpful. Those are the things which have made it possible and because of what the Congress has done, the Congress can take great credit for what you see on those charts. You've done it.

Senator **Quayle**. Let me just switch to another subject. I have a couple of other questions I want to get into.

AMMUNITION WAR RESERVE

Mr. Secretary, in your posture statement, you mentioned ammunition reserves. Can you give us the status of where the ammunition war reserve on specifically the RDX and the HMX improvement program is for 1985?

Secretary **Marsh**. Let me give you a general overview. We have been trying to bring this program on line really at the instigation of the Congress and others, I would suspect almost for 20 years. It is a very significant form of explosive enhancement that makes much more effective the powder that would be used in almost all the explosives we would use. It is essential to achieve this kind of upgrade. It is a very significant program that would have to be conducted in a number of different places. The Army was mandated, or Defense was mandated——

Senator **Quayle**. Are you going to do that this year? Are you going to start to move that program and some of these other programs?

Secretary **Marsh**. We were mandated to give you a study with our recommendations, which we have done. That is before the Congress.

Senator **Quayle**. Is it back in our court, then?

Secretary **Marsh**. Yes.

Senator **Quayle**. What kind of an answer do we have to give you?

Secretary **Marsh**. You have to adopt the report. We have submitted recommendations to begin the program, but you should be aware that this is just the initial stages of this effort. The facilities you see in those locations are the beginning of other facilities that would have to be located in other places of the United States if the program is launched.

STRATEGIC DEFENSE INITIATIVE

Senator **Quayle**. Yesterday the Secretary of Defense talked about his strategic defense initiative. Said he is going to be appointing a manager in OSD in a very short period of time. How is the Army going to fit into the research on this?

Secretary **Marsh**. The Army will play a role. General Wickham is far better able to speak to that because of his position on the Joint Chiefs. But I would say the Army's role in ballistic missile defense has been very helpful, and I believe we will be of great assistance in the program.

Senator **Quayle**. Specifically, General Wickham, what do you expect? What do you anticipate as to what kind of role you will play in the ballistic missile defense program?

General **Wickham**. Well, we are not sure how it is going to emerge from the Secretary of Defense consideration, what sort of structure, but the Army's Ballistic Missile Defense Command, as Secretary Marsh indicated, will play an important role because we have developed a hierarchy of relationhips with the civilian intellectual and commercial activity in this whole business of space defense, and a solid military team and a lot of solid research. We are conducting experiments valuable in the area.

From a joint standpoint, the Joint Chiefs of Staff have been considering the organization of an operating agency in the field to deal with the real-world operational dimension, quite aside from the research, development, and acquisition side, which is what would occur based on your question.

Senator **Quayle**. My time is up, Mr. Chairman. I do have a couple of other questions of a more parochial interest than a general interest that I would be glad to submit for the record.

AIRLIFT AND SEALIFT

Chairman **Tower**. Senator Wilson asked me to submit a question on his behalf for the record, for a response, for the record, relative to airlift.

We have talked quite a bit about airlift. Senator Goldwater touched on sealift. It occurs to me that everything of bulk importance moves by sea, and therefore I would like for you to expand some on your earlier observations that we are inadequate in sealift. If the Secretary or the general could address themselves to that?

Secretary **Marsh**. General Wickham has mentioned the shortfall. I think there is a shortfall of 100,000 tons at the end of the POM and that is taking into account the eight roll-on-roll-off vessels you have underway.

General WICKHAM. Well, as the chart indicated sir, there is this strategic shortfall the Navy has, despite its solid efforts to improve sealift in the POM period. There have been a number of initiatives the Defense Resources Board has agreed on to improve it, such as, the acquisition of fast roll-on-roll-off ships, the acquisition of seasheds and flatracks—these are devices to fit into the holds of existing container ships to accelerate the onloading, offloading, and the stacking of equipment, bulk-sized equipment as opposed to weight. There are a number of initiatives underway. Nevertheless, as I indicated, there is this shortfall.

Chairman TOWER. Even given the tonnage requirements, are you adequately prepared to offload and to move the materiel in a theater once it is delivered?

Secretary MARSH. As you know, we have asked for equipment in the past and in this current budget before the committee and the Congress would enable us to offload logistics over the shore. This would enable us to deal with a bare-base-bare-bones kind of structure we might find in certain parts of the world. There is a resource requirement there.

Prepositioning is important. As you know, we have before the Congress a funding proposal for POMCUS sets 5 and 6. We are pre-positioning in other parts of the world to reduce the requirements for strategic lift.

TRAINING THE LEBANESE ARMED FORCES

Chairman TOWER. General, you touched on the Army group that is training the LAF. How many people do you have deployed in Lebanon on that mission?

General WICKHAM. It varies, sir, from month to month, but it runs around 100 involved in training the Lebanese Armed Forces. We have around 40 personnel with the Marines from a countermortar radar section providing early warning of incoming rounds and precise location from whence those rounds come to the Marine batteries.

Chairman TOWER. What I am interested in primarily is that training mission with the LAF. What you'll be doing with them is trying to get them up to the capability of what you would call something like our light units, is that right? Not like our conventional units, but rather lightly armed and not much armor. Is that right?

Geneal WICKHAM. No, sir; they have one Ranger brigade. General Tannous, commander of the Lebanese Armed Forces, has a plan to expand the number of brigades to 10, total brigades.

Chairman TOWER. That is 10 at 70-percent strength, am I correct?

General WICKHAM. Ten at 70-percent strength, and most of those brigades are mechanized brigades. We have provided, as you know, a number of M–48 tanks, armored personnel carriers, medium artillery, and recoilless weapons which seem to be more useful in that part of the world.

Training is being conducted, I visited it and I think perhaps you have on your visits there——

Chairman TOWER. I have.

General WICKHAM. It is solid training. The quality of the recruits coming into the Lebanese Army, General Tannous tells me, has never been higher. About 50 percent of them are high school diploma graduates, less than 10 percent are illiterates, and they are from all religious groups.

Chairman **Tower**. When realistically, could we expect them to reach 10 brigades at 70 percent?

General **Wickham**. They will be prepared to—they are prepared to absorb equipment faster than we can deliver it, as a matter of fact. In the Army, we are evaluating to see how we can accelerate the delivery of equipment. I am not permited to say more, sir, in an open session.

Chairman Towner. All right, sir. Senator Nunn?

ARMY LIGHT DIVISIONS

Senator **Nunn**. General Wickham, on the light divisions, I too congratulate you on moving in this direction. We had a hearing back in my Manpower Subcommittee 8 or 10 years ago, and we had a series of witnesses testify that that is the way the Army ought to move, and the Army came over and gave us all the disasters that would occur if they ever dreamed of moving in this radical direction. I am going to get staff to go back and dig out all those disasters and ask you for the record if you could tell us how you are going to handle those. It is a concept I think, as Senator Goldwater says, that is long overdue.

I would like to ask you, you have looked down the road at possibly converting some—I come at this a little bit differently than my colleague, Senator Levin—other divisions to light divisions. Have you particularly looked at the ability to move those forces from the United States to Europe, from the United States to other places, if you were to convert, say, four more divisions, or three more. Have you taken a look at that yet?

General **Wickham**. Yes, sir, we have. We want to eat the elephant a bite at a time, and the 7th will be the first to convert, and we have to ring that out. The formation of a new division, a 17th division, will require us to decide where to locate it. We will be looking at converting additional light divisions, the 25th Division, for example, in Hawaii, is a candidate.

The 101st Air Assault Division——

Senator **Nunn**. The last time I was out there, that one was slated to go to Europe. I never could figure that out, but I hope you have changed that.

General **Wickham**. That is a classified answer, sir.

But the 101st and the 82d, one of the beauties if you will, of the light division idea, is we may develop a commonality of light infantry, and that will help us with training. So there may be some adjustment in those two divisions.

Senator **Nunn**. How about mobility on the light divisions? Are you going to have the mobility? You addressed it with the helicopters, but that is what gives some people pause, of whether they're going to be able to really move them in, other than by foot once you get there. Are you constant on that.

General **Wickham**. Well, as I indicated, sir, there will be enough helicopter lift to move one battalion of infantry in one sortie. We will have enough HMMWV lift to move another battalion. Believe it or not, the 10,000-man division has more tactical lift than either the 82d or the 101st in moving infantry with tactical mobility, I mean, in terms of density. So, yes, we think that—well, we have to experiment with it, but we think it is about right. The more tactical mobility we put in there, the more sorties. And you have to make a trade. And maybe the corps plugs with additional tactical mobility or some pre-positioned assets, trucks, may be a compensation.

Senator NUNN. This is not a forcible-entry-type division, is it? It is not going to be similar in nature to the Marine Corps in that respect is it, or is it? Will you be able to put this division into a hostile environment by forcible entry?

General WICKHAM. It will not be able to parachute, unless we look to the parachute capability. It will have to airland. It will not go over the shore. The Marines would have to force; that is one of their missions, to make an amphibious entry under pressure. And if we had to go into a hostile airlanding environment, we'd have to seize an airhead first and then airland without hostile fire.

Chairman TOWER. If I may intervene here, I noticed that in Grenada, the 82d used an awful lot of Russian trucks which they had appropriated over there.

General WICKHAM. Yes, sir.

Chairman TOWER. So they were using a little indigenous lift capability. [General laughter.]

LESSONS LEARNED IN GRENADA

Senator NUNN. On the Grenada situation, General, I won't go into detail today, but have you taken a close look at the intelligence—whether you had enough, tactical intelligence, knowing the location of campuses, that kind of thing, and whether the intelligence was made known to the forces going in there? Have you looked at that kind of communication link between the forces and the intelligence?

General WICKHAM. Hindsight is 20/20. There are a lot of lessons learned that have come out of Grenada, and we can provide some of those for the record, sir. In the intelligence area, when I testified here before, we, the Chiefs, there were deficiencies in terms of the macro-intelligence, and part of those deficiencies were produced by the accelerated decisionmaking to enter Grenada at an opportune time.

Senator NUNN. I have been told there were two campuses, one right next to the runway and one a couple of miles off.

General WICKHAM. Right.

Senator NUNN. And most of the students were in the second campus. I was told that the forces on the ground there did not know about the second campus until they got a telephone call from the students in the building after they had taken the first building. That seems to me to leave some kind of really serious question about the intelligence.

General WICKHAM. I find that hard to believe, sir, because the Joint Chiefs, thoroughly involved in every detail, were knowledgeable about the two campuses. I was.

Senator NUNN. I would ask you to take a look at that. I have been told that by people on the ground that were there, but it may not be accurate. I wish you would take a look at it. If that kind of gap exists, there is some kind of real gap about giving the intelligence we do have to the forces going in there.

[The information follows:]

I have directed an indepth study to be conducted which will include developing an action plan to incorporate the lessons learned. I will be briefed at the conclusion of this study on the lessons learned from Grenada.

ARMY READINESS STATUS

Senator NUNN. General, on overall Army readiness, do we have more or less Active Army divisions rated fully and substantially combat ready today than we did at the end of 1980?

General WICKHAM. We have the same number, and one could argue how come, with all this modernization you don't get readier, and that is a good question. We have a deficiency in our reporting mechanism. Our unit-readiness reporting system historically has been geared to provide decisionmaking data and information so we can allocate resources better. It doesn't really show combat capabilities. Clearly, as you put M–1 tanks, Bradley fighting vehicles, new 155 artillery pieces, and Apaches in units, they are far more capable. But the system doesn't report that capability.

Senator NUNN. That is exactly the point I think is important. I don't think we have a good way of measuring our——

General WICKHAM. We have got a new system that is about to come on to the books in terms of reporting—it takes time to do those things—that will, I think, show a marked increase in readiness.

Senator NUNN. Do we have more or less separate brigades and regiments rated fully and substantially combat ready today than we did at the end of 1980?

General WICKHAM. I'll have to get that for the record about separate brigades.

Chairman TOWER. About seven, did you say?

General WICKHAM. Separate brigades.

Senator NUNN. My information is, and this is as of August, I won't give the numbers because I understand it is classified, but as of August 1 we had less ready-rated divisions and less brigades than we did in 1980. You are speaking as of today, is that right?

General WICKHAM. No; I am speaking, I think, the same statistics. They haven't changed. They went up and then they are back down to where they were in 1980.

Senator NUNN. My information indicates it is less. I would ask you to check on that. Less on both of those accounts. I agree with your conclusion, though, that we need to find a better way to rate our military capability. We have been talking about these statistics for years though, and a lot of the 1980 campaign was fought on the readiness of our forces. Basically, what you're saying today, as I understand it, is we are woefully inadequate in having the right definition of readiness, and you are trying to change that, is that right?

General WICKHAM. We have a system that is extant now. The new system will show a marked increase in readiness through modernization.

Senator NUNN. But you are saying our present definition, as used in this August 1 report is not adequate, is that right?

General WICKHAM. Not adequate, because what it does is tell the Department of the Army and the chain of command, these units are still deficient even with the new equipment based on the new organization they have. What we have got to do is figure out a system to show the improvements in capabilities that come from the new equipment they have, and I think we have a revised system that will answer your question. I'll get that into the record.

[The information follows:]

CAPABILITY REPORTING

The Army complies with the current Unit Status Reporting requirements as established by JCS. The Reporting System is based on JCS directives establishing common standards among the Services. No major changes to the Army's Unit Status Reporting system are anticipated. The normal minor fine tuning of the system is always ongoing.

The Army has initiated a study in an attempt to develop a reporting system, separate from the Unit Status Report, that would measure warfighting capability increases resulting from Army equipment modernization programs. The current Unit Status Report C-Ratings provide a good measure of a units' resource level but do not address warfighting capability. For example an armor battalion equipped with M60-A1 tanks reports C-2 on the Unit Status Report; M-60 tanks are replaced with M-1 tanks, yet the unit status remains C-2, which does not reflect the units' increased capability.

The reporting concept has essentially been defined. Automated data sources available at HQDA will be used to provide the detailed information required in the process. Currently the process is under review for validity. A firm completion date is not available as it will be dependent on the validation review currently in progress. If all goes well we could commence use of the added procedures by the end of this year.

The final product will be a report prepared on each division, separate brigade and armored cavalry regiment in the total Army.

Chairman TOWER. Would you let me intervene with an additional question there?

Senator NUNN. Absolutely.

QUALITY OF PERSONNEL

Chairman TOWER. In addition to the modernization factor, what about the quality of the personnel?

General WICKHAM. Well, the system doesn't report the quality of personnel either. If we're short people, then the unit is reported in readiness condition 1, 2, 3, or 4. About all that can be done there is a qualitative judgment, the commander puts in saying the status of the training or the quality of people he has, in his opinion, leads him to rate his unit higher than he would be based on the skill level distribution and fill and the percentage of fill of individuals. You've got a qualitative and a quantitative, an empirical, and a normative dimension in these readiness reports, and all we really sort of cue on, unfortunately, is the empirical one. You are right on target, we need to do a better job.

Senator NUNN. I think that qualitative needs to be put in there, too. I would agree with the chairman on that. While we do enjoy a lot more high school graduates, while we do enjoy a higher category mentally while we are in at least possibly the peak of our quality and so forth, as a great service to the country, I would encourage both of you, to define the kind of quality we've got to have for the future. We tried to do it in that law, but, that is a blunt instrument, passing a law. I think the Army needs to have that. As we go back into more difficult times—and I think they are inevitable—it is essential that we have some kind of base to measure on. Nobody has ever done that. Obviously nobody wants to come over and say this is the worst Army that we've had in 40 years. Nobody is going to do that. No commander is going to do that, because that is going to undermine the forces. I give you credit for being absolutely sincere when you talk about that part of the Army now. The statistics prove it. But I have to say as background, I have heard the same thing when the statistics were at the very bottom of the chart that you put up there, in the same room, from people in the same position. So let's get us a base while we can, while we can do it with credibility, so we can measure it.

General WICKHAM. I guess statistics sort of bear out my observation.

Senator NUNN. They do; they do bear it out.

One other thing. If the budget is reduced this year, and if the strategic program is fenced off—by that I mean the strategic nuclear program—so that they aren't touched, and the reductions come in the other area, what does this do to the Army, assuming you take your proportionate share? Let's say we go to 5-percent rather than 13-percent growth, and the strategic programs are fenced off, which there is some indication they may be, what does this do to the U.S. Army and your budget and your ability to fulfill your mission?

Secretary MARSH. Well, first, Senator, we would hope the budget would be adopted as it has been submitted.

Senator NUNN. Well, I understand that.

Secretary MARSH. I'm sure you know I would say that. But I can say to you if it is not adopted, if we have a problem in the funding of these requests, it is going to have some other long range impacts that relate to economical buys and the quantities of the weapons systems that we are buying. It is going to impact on the modernization, and ultimately, it is going to impact on the readiness of the Army. It is going to just put us back in the situation that Senator Levin was earlier referring to, lack of growth that does not enable us to reach the goals that we think we need.

Senator NUNN. General, did you want to add to that?

General WICKHAM. I wonder if I could have chart 2 Alpha.

Senator NUNN. My time has expired.

Chairman TOWER. I intervened; that's all right.

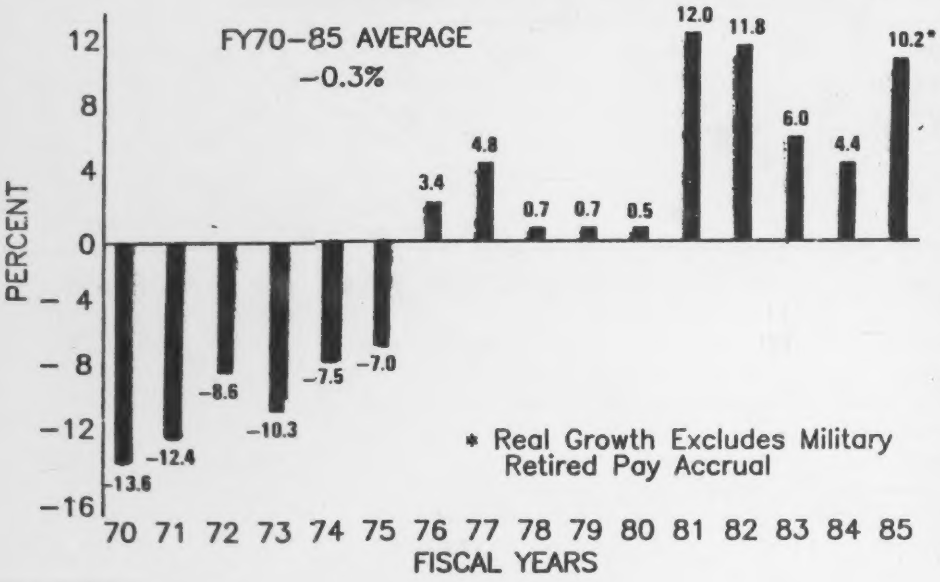

ARMY REAL GROWTH TRENDS

CHART 13

General WICKHAM. This is a Defense Department chart, so I am really supporting the budget the way the Secretary is, but this illustrates over time what has happened to the Army. That is 1970 out to 1985. This represents negative growth in the Army in the early 1970's, living off the shelf, if you will. Then we began to pick up around 1976, a little bit of real rate of growth here. It tapered back down in the late 1970's to almost a half of a percent. And then jumped way up in 1981 to 12 percent, started back down again, and in this budget it is 10.2 percent.

This period here——

Senator NUNN. Those before this year would represent actually the final funding?

General WICKHAM. Yes, sir.

Senator NUNN. Not the requested funding, but final funding.

General WICKHAM. Final funding up through 1984, 1985 is the request.

And it excludes this military retired pay accrual here, which is a much higher percentage; it's a misleading percentage there. But one can argue the growth in the 1980's is compensation for lack of growth in the preceding decade. That is why in my first comment, here, I said we are on the bow wave of modernization. We're just starting that. So appreciable reductions in acquisitions programs will cost the Army this critical opportunity to modernize.

Senator NUNN. Where would you be on that chart, that 10.2, just roughly—you can furnish this for the record, if you took your proportionate share and you roped off the strategic programs, where are you going to be on that chart instead of the 10.2?

General Wickham. Well, I would say a guess would be around 4.4.

Senator Nunn. Back about where it was last year?

General Wickham. Yes, sir.

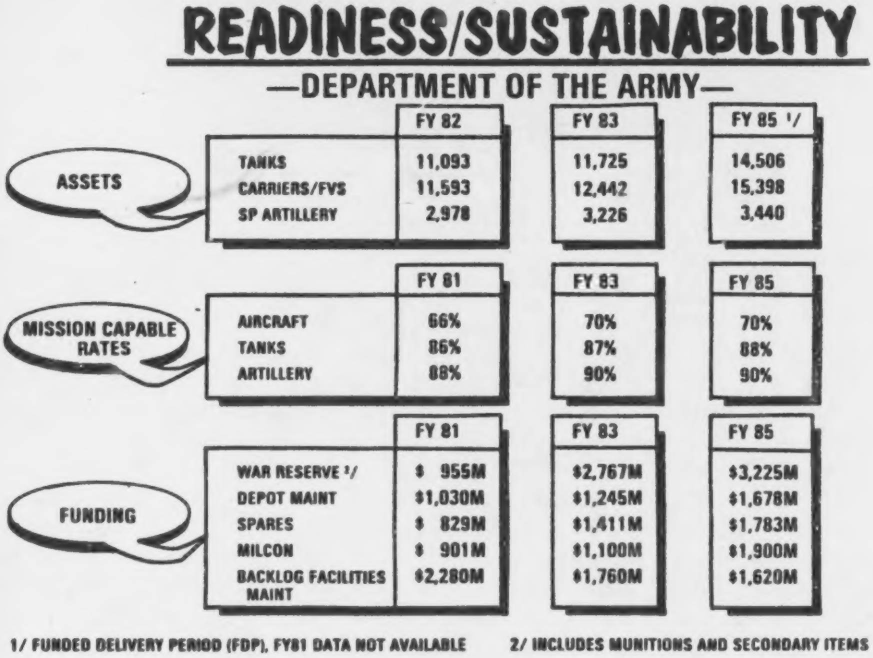
Senator Nunn. Thank you.

Secretary Marsh. I think the point the general and I both make is any general reductions in the defense budget are going to adversely impact on us, whether they are fenced or not.

SUSTAINABILITY

Chairman Tower. If Senator Levin would indulge me one more comment, Senator Nunn and I were part of an effort here back in 1980 before this administration came in to take a congressional initiative to provide in the way of spare parts and ammunition, consumables, improved readiness and sustainability. I would hope that our efforts could be reflected somewhere in any calculation of the extent to which the situation has improved. Are those spare parts finally getting to you through the pipeline; are you beginning to see the results of that? Because we enhanced the spare parts account considerably.

Senator Nunn. We did, that's right.



READINESS/SUSTAINABILITY

—DEPARTMENT OF THE ARMY—

ASSETS	FY 82	FY 83	FY 85 1/
TANKS	11,093	11,725	14,506
CARRIERS/FVS	11,593	12,442	15,398
SP ARTILLERY	2,978	3,226	3,440

MISSION CAPABLE RATES	FY 81	FY 83	FY 85
AIRCRAFT	66%	70%	70%
TANKS	86%	87%	88%
ARTILLERY	88%	90%	90%

FUNDING	FY 81	FY 83	FY 85
WAR RESERVE 2/	$ 955M	$2,767M	$3,225M
DEPOT MAINT	$1,030M	$1,245M	$1,678M
SPARES	$ 829M	$1,411M	$1,783M
MILCON	$ 901M	$1,100M	$1,900M
BACKLOG FACILITIES MAINT	$2,280M	$1,760M	$1,620M

1/ FUNDED DELIVERY PERIOD (FDP), FY81 DATA NOT AVAILABLE 2/ INCLUDES MUNITIONS AND SECONDARY ITEMS

Chart 13a

General Wickman. If I can just sort of pick up on that to illustrate. It's all detail here, but good for the record. Assets, mission capable rates and funding levels, tanks, and all. You see the growth here, 11,000 tanks. Now we have got about 14,500 in the budget. Mission capable rates for aircraft have risen from 66 to 70 percent. The same for tanks and artillery, up to 88 and 90 percent. War reserves were about $1 billion a year; now we're putting in the 1985 budget $3.2 billion. So we are trying to build a sustaining capability.

Depot maintenance up from 1983 about from $1.2 billion to $1.7 billion. Spares is up $300 million from 1983. Military construction—which includes barracks and training facilities is up to $1.9 billion. And the backlog of facilities maintenance, way down. We are abiding by the congressional direction to get down to a containment level. That is what this represents.

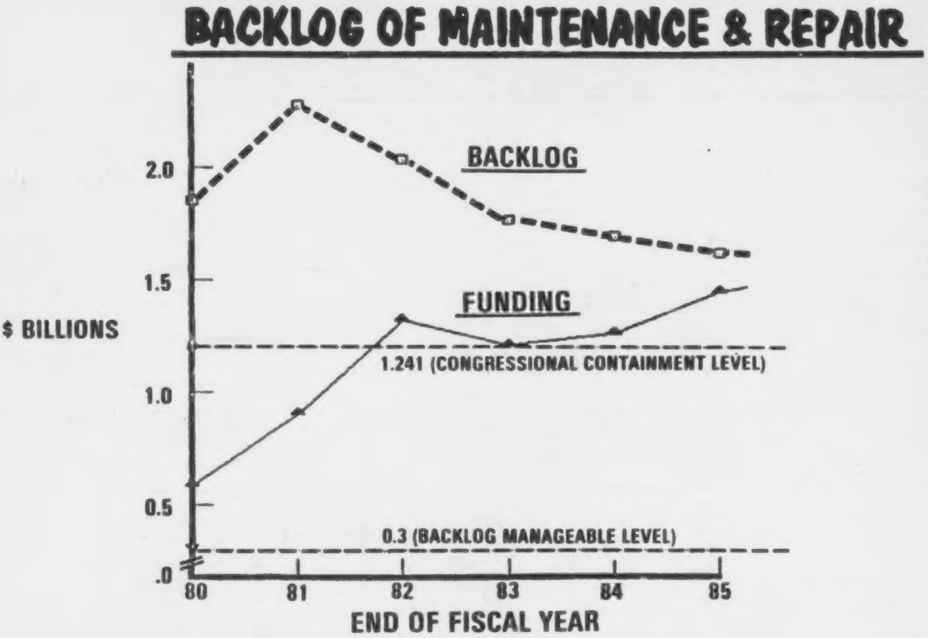


CHART 14

Secretary MARSH. Mr. Chairman, let us just show four charts that show you the lines. Give us the line charts on the same thing.

Senator NUNN. My problem with that last chart would be the funding. It is indicative—funding is an input item though, not an output item.

General WICKMAN. Exactly, to your earlier point.

This just shows you again on the backlog of maintenance, sort of shows the continuing down, because we're trying to pay the bill here. Now 84 is what came out of it; that's the output. An output less than what we asked, but still consistent with trying to draw the backlog down. This is your directive containment line. We're getting there; we will get there by 1989, God and the Congress willing.

Next chart.

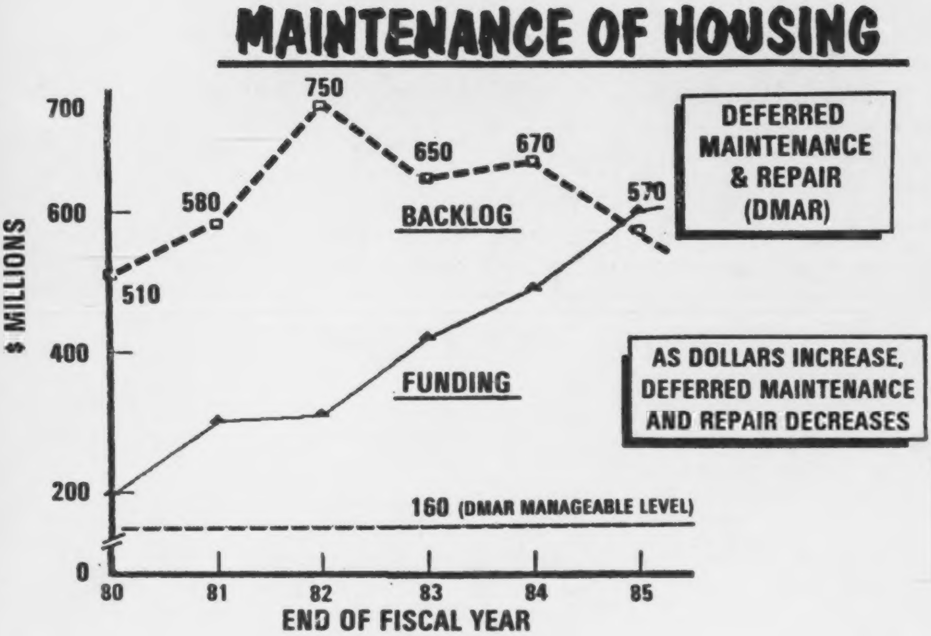


Chart 15

This is the maintentance of our family housing. This is the manageable level we call BMAR, family housing. And again, funding going up, 1984 represents the output, 1985 our input requirement. We're still trying to drawn down.

READINESS MEASURES

Senator Nunn. When will your new readiness measures come into effect?

General Wickham. Some already should be by this summer, the reporting cycle by this summer. Let me get an accurate answer.

Senator Nunn. I think you had better explain that carefully when you release it, because it was a very significant political issue. I'm sincere, for having been a big political issue in the last election, if you change your whole readiness ratings right in the middle of this election, you're going to—you'd better have a good press conference. [General laughter.]

Senator Levin. I would suggest you have two press conferences; one with the old way and one with the new way.

Chairman Tower. Well, let me suggest we not drag them into the political process. They've got enough problems as it is.

Senator Nunn. I'm trying to keep them out, Mr. Chairman.

Senator Levin. They were dragged into it last time with the hollow Army and everything else.

You're saying we're no readier now than we were in 1980?

Chairman Tower. Senator Levin, we turn it over to you.

General Wickham. Readier.

That's the depot maintenance program.

Senator LEVIN. We don't have more combat ready divisions now than we did in 1980, is that what you're saying?

General WICKHAM. Yes, sir; I'm saying that with the new equipment——

Senator LEVIN. No, right now, according to the same measure we used in 1980, we've got the same number of combat ready divisions?

General WICKHAM. Yes; the change——

Senator LEVIN. Well, I wouldn't change the method of measuring, if I were you, because you're going to create a fire storm around here if you change that measure in the middle of an election campaign.

Senator NUNN. Well, my figures indicate less divisions under the same definition. But I have to say, the general is correct in the measurements are all wrong. I mean, they don't reflect reality.

Senator LEVIN. Well, then, they may have been wrong in 1980, too.

General WICKHAM. Right. They have been; even when I was a division commander.

Senator LEVIN. What you're telling the American people is 4 years too late.

Senator NUNN. May I just ask one question on this chart. Am I reading that right that the unfinanced backlog of maintenance——

Chairman TOWER. May I suggest that Senator Levin yield to you.

Senator LEVIN. I'd be happy to yield.

Chairman TOWER. Because he has the floor right now.

Senator NUNN. Is that a correct reading, the unfinanced backlog is going up in 1985?

General WICKHAM. That's right, sir, it is slightly going up in the depot maintenance program, even though we're trying to finance it at this rate. If we finance it at a higher rate, then we turn it back down.

Senator NUNN. So the output is actually from 1982 through 1985, and the depot maintenance program has gotten worse.

General WICKHAM. Right. The output has made us worse. Of course, we went into the Congress with a higher requirement.

Senator NUNN. That means we have done the cutting to get you there?

Senator LEVIN. We financed more, but they are still worse off.

General WICKHAM. You have not financed us enough.

Chairman TOWER. I am afraid that when we came back, in a couple of those rescrubs of our authorization bill after the Budget Committee worked it over, that we did cut depot maintenance.

Senator LEVIN. Even though we financed it more.

General WICKHAM. Right. The original request, Senator Levin, was higher, obviously.

Is that one more? We're sort of overstaying our welcome on the one point.

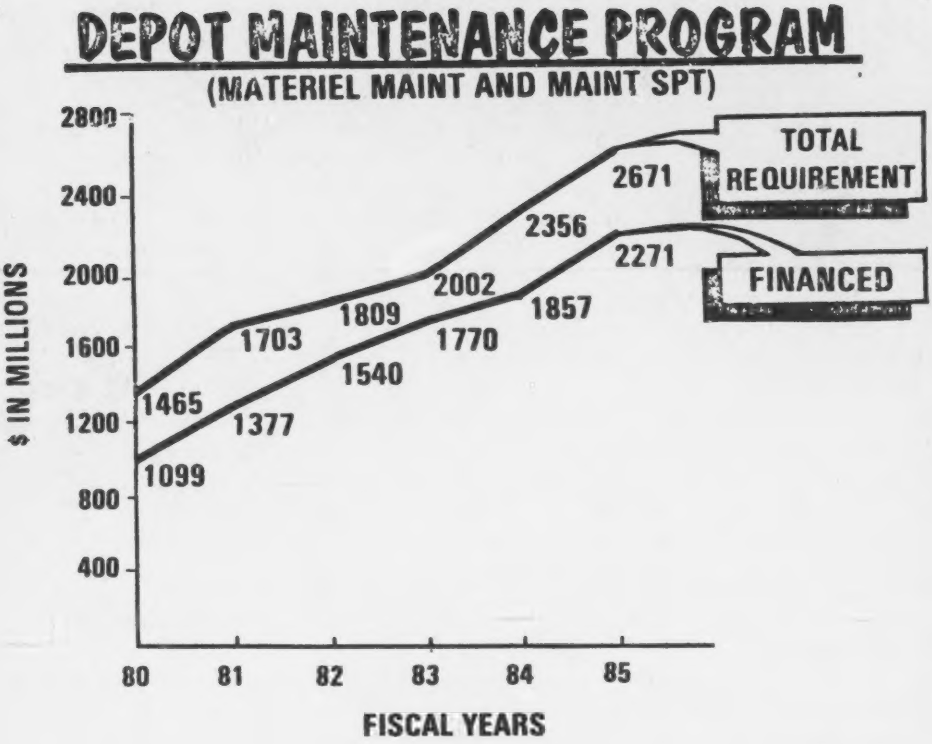


CHART 16

This is the depot maintenance program, materiel maintenance and maintenance support, and this is a little better story. Starting back down and a much higher request. But you see what it takes to take care of it; a whopping increase. But that is the 1985 budget.

Senator NUNN. This point is what some of the people in the Pentagon that have been dissenters have been making over and over again, that this modernization program is going to drive O&M higher and higher and higher and higher. We are not going to be able to catch up, because it is a rug that is moving, and I think that chart pretty well confirms that. Some of this is in the report, I think on the Air Force, but the same point is in any of the modernizations. Is that what you're showing here basically?

General WICKHAM. That's part of it; yes.

Senator NUNN. Thank you, Senator Levin.

General WICKHAM. A lot of it is backlog.

MODERNIZATION NEEDS OF THE SERVICES

Senator LEVIN. Mr. Chairman, just a few questions.

Mr. Secretary, are you of the opinion that the modernization needs of the Army are less than the Air Force and the Navy?

Secretary MARSH. I would say that there is a significance between the two. The point has been made, in fact I think General Wickham made it, really put equipment on people, individual soldiers, whereas in the other services, because of the big systems, you put people on equipment. The nature of our requirements are more diverse. They are individual soldier oriented by and large, even though we do have systems like tanks and other things. Our modernization requirements are significantly different, Senator.

Senator **Levin**. Would you say that they are less?

Secretary **Marsh**. In a relative sense, our needs are very great. Our modernization requirements for the types of things we need continues to be great.

Senator **Levin**. Would you say that on a relative basis that your modernization needs are less than the Air Force and Navy?

Secretary **Marsh**. I really can't speak to that, because I am not that familiar with their programs.

Senator **Levin**. General, we are going to be seeking to identify where there are shortfalls in your needs. Your posture statement, Mr. Secretary—I guess this is a joint posture statement—identified many, many areas of shortfall, and I have identified some in my opening statement. General, will you and your staff be willing to work with my staff to develop the details as to how much we would require to address these shortfalls?

General **Wickham**. Yes, we can lay out——

Senator **Levin**. In 1985.

General **Wickham** [continuing.] We can lay out the parameters of programs to describe those shortfalls in the posture statement.

Senator **Levin**. Your staff would be willing to work with my staff to develop the details as to how much would be required in 1985 to redress those shortfalls?

General **Wickham**. Yes, sir.

READINESS TRENDS

Senator **Levin**. Mr. Secretary, one question about the new counting methods here, these new measures to determine readiness that you are putting into effect. You've given us a number of charts on readiness trends in the annual report. I guess this came from the Secretary of Defense yesterday. In these charts that were given to us, the readiness trends, did you use the old measures or the new measures?

General **Wickham**. Old. You see, those are the standard measures we use to rate the readiness of squadrons across the board, battalions, Marine and Army, across the board. And of course the Navy has unique standards with ships. The only adjustment we are proposing inside of the Army is adjustments on reporting of equipment, as a new organization is created, Division 86, for example, creates new organizations, and suddenly there is instant unreadiness because when they convert to that new organization, they may not get the equipment for 2 years. So we need to allow some discretion in waiver of the requirement to report new equipment until it is ready to arrive within 90 days.

Senator **Levin**. There were those kinds of footnotes and explanations for the hollow army argument in 1980, too, weren't there?

General **Wickham**. Right.

Senator **Levin**. But they never came through very well.

When you release the new readiness figures this fall, would you be willing to give us the conclusions both under the old measures and the new measures, so there would be a basis of comparisons?

General **Wickham**. I'll have to——

Senator LEVIN. Otherwise we're mixing apples and oranges.

General WICKHAM. Yes, we are mixing apples and oranges. We'd have to go back and scrub it by finger to report both ways.

Senator LEVIN. Would you do that, so there is a means of comparing.

General WICKHAM. If that is practical.

Secretary MARSH. Senator, if I might interject, the recommendation for changes in readiness reporting is one that has originated principally on the military side because of the inadequacies of the old system. It has not been a civilian recommendation.

Senator LEVIN. No; I am not suggesting that it is. All I am suggesting is that you're going to get a very skewed assessment, and you're going to be comparing apples and oranges, and it is not fair. Let the chips fall where they may under the same measure. I mean, those chips fell pretty heavily a few years ago, and the least you can do, it seems to me, in saying you are going to change the standards and the measurements, and there may be good justification for doing it, is to also measure by the old way so that people can compare according to the same standards.

General WICKHAM. But Senator Levin, these kinds of things, the changes have been a part of the process of unit readiness. When I was a brigade commander, we were allowed, if we had two tanks that were down, one tank for an engine and one tank for a battery, and you had a battery in the tank that was down with the engine, you could mentally compute you were down one tank, because you could take that battery out and put it in the other one if you went to war. So you only reported one tank down, but in theory you had two. So, we've changed the process of reporting over time. What we need to do now, as I said, within the military is figure out a system that shows the fact that as we get new equipment, better people, by golly, readiness goes up to go to war, rather than quoting deficiencies in numbers.

Senator LEVIN. General, there may be very good reasons for changing. All I am saying is that it is very unfair to change that in the middle of an election campaign.

General WICKHAM. Well, there was no intention.

Senator LEVIN. Well, you ought to avoid the unfairness. There was plenty of it last time. I mean, I think there was a good subject of criticism of where our defense posture was and I have no problem with that, but they came out with some criticism, frankly, which I thought was highly unfair and other people did too, including the military.

General WICKHAM. I don't expect any major shift as a result of these finer changes.

Senator LEVIN. Would you let us know whether at the same time you give us the new measure you're going to be able to give us the old measure as well.

General WICKHAM. Yes, sir.

Senator LEVIN. General, do we have fewer combat maneuver battalions now than in 1980?

General WICKHAM. I'll have to get the answer for the record. My recollection is, yes, we have a few.

Senator LEVIN. A few less.

General WICKHAM. I'll get an exact answer.

[The information follows:]

NUMBER OF COMBAT MANEUVER BATTALIONS

The Army does have fewer combat maneuver battalions now than in 1980. Over this same period however, the Army has significantly more maneuver companies. This is one of the Division 86 design improvements which adds a fourth maneuver company to tank and mechanized infantry battalions. Including the Reserve Components there are 14 fewer such battalions in the current fiscal year than in fiscal year 1980. The fiscal year 1985 budget provides a slight increase in the number of maneuver battalions resulting in 12 fewer in fiscal year 1985 than in fiscal year 1980. Including the Reserve Components there are 137 more maneuver companies in fiscal year 1985 than in fiscal year 1980. On balance, while the battalion count has declined, the increased number of companies organized under a design which allows for advanced weapons systems and modern tactical doctrine, yields a more effective maneuver force.

Senator LEVIN. All right, thank you.

MILITARY JUSTICE SYSTEM

Mr. Secretary, relative to the military justice system, many of us are very concerned about Lebanon, what happened there. I frankly am enough of a defense lawyer not to reach any conclusions about anybody's negligence or anything else outside of a court-room, so I am not asking you about that. And I have enough respect, frankly, not only for the military but for the justice part of the military, so I haven't reached any conclusion, nor would I, as to whether there was any culpability or negligence relative to Lebanon. I don't think that is my business, and I have reached no judgment on it in terms of any criminal justice liability or negligence or culpability. I have my own views in terms of general protection that we didn't give our Armed Forces there, but not in terms of any specific culpability.

But my question to you is this, has the President excluded courts martial for any negligence that might be found in protecting our troops in Beirut in his speech in which he accepted responsibility himself or in any Executive order or in any other action that he may have taken. Had courts martial been excluded, assuming they are appropriate, which I do not assume.

Secretary MARSH. I am not a JAG lawyer, and I think that is the kind of question that should be directed to a JAG lawyer. I don't know that the President has sought to raise any other areas of jurisdictional needs with regard to the problems which exist in Lebanon. As I understood the President, he was addressing a particular situation. President Eisenhower accepted responsibility, as I recall, for the U-2 flight over Russia. Such an action is not an uncommon thing for the President to do. The Secretary of Defense has asked us to review the Long Commission report and give our views to him, which I have done, and I am really not in a position, Senator, to comment any further.

[The information follows:]

MILITARY JUSTICE SYSTEM

The President stated, "I do not believe, therefore, that the local commanders on the ground, men who have already suffered quite enough, should be punished for not fully comprehending the nature of today's terrorist threat. If there is to be blame, it properly rests here in this Office and with this President. And I accept responsibility for the bad as well as the good." In our view, the President's statement and subsequent action rule out courts-martial based on the security measures taken by the local commanders responsible for the security of the task force prior to or at the time of the terrorist bombing at Beirut International Airport.

Senator LEVIN. Could we keep the record open, Mr. Chairman, for any additional questions that we might have late this afternoon or tomorrow.

Chairman TOWER. We'll keep the record open until 5 p.m. this afternoon.

Senator LEVIN. Thank you. Thank you, Mr. Secretary. General Wickham.

Chairman TOWER. Senator Warner?

Senator WARNER. Mr. Chairman, I offer my apologies to the distinguished Secretary and Chief of Staff for being late and missing their testimony. I won't prolong the hearing. I would, however, like to submit questions and a statement. I wish to congratulate the distinguished Secretary and the Chief for a job well done. I look forward to working with you during the year, and again I apologize for my absence.

Secretary MARSH. Thank you, Senator.

MODERNIZATION REQUIREMENTS

Chairman TOWER. On this matter of relative modernization requirements of the Army to the various services, in fact, some of the modernization requirements that we identify with the Air Force and the Navy are designed to improve the capability of the Army, are they not?

General WICKHAM. Right.

Chairman TOWER. I was thinking particularly in terms of sealift and airlift.

General WICKHAM. Right. And Tac Air, munitions.

Chairman TOWER. Tac Air that goes in to support your ground support operations.

Thank you, Mr. Secretary and General Wickham. The members of the committee have submitted questions to be answered for the record and we would appreciate an answer as soon as possible.

[Questions submitted with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN TOWER

LIGHT ARMORED VEHICLE

Senator TOWER. What is the Army's position on the need for light armored vehicles in the light infantry divisions? Does the 9th Infantry Division and Army Development and Employment Activity (ADEA) still recognize that an operational need exists for light armored vehicles?

General WICKHAM. As currently configured the Light Infantry Division does not include light armored vehicles since it is being primarily designed for enhanced strategic mobility and use in geographic locales where tactical mobility may be constrained. The 9th Infantry Division (motorized) is being designed as a strategically deployable force which possesses significant tactical mobility and anti-armor lethality for use against enemy tank and motorized forces. To meet such a threat the High Technology Motorized Division (HTMD) requires light vehicles with armor protection against small arms and fragmentation effects for several purposes; to carry infantry and engineer squads, to transport intelligence/electronic warfare systems and to serve as assault gun/anti-tank weapons. As with all evaluations conducted by the Army Development and Employment Agency (ADEA), the objective systems will be assessed as candidates for "spin-off" into other army units.

Senator TOWER. Is the Light Division concept similar in organization and employment to those Army forces used in Grenada? Were Army forces used in Grenada too light since they had to call upon Marine tanks to help break the pockets of resistance on the southern end of the island?

General WICKHAM. Army units employed in the initial operations on Grenada were composed of Ranger battalions and elements of the 82nd ABN division. While our new light division will be ideally suited for a quick reaction-low intensity scenario such as Grenada, it will not have a forced entry (airborne) capability. The new light division will airland following initial seizure of the airhead and allow for a more rapid build up of combat power than with current infantry divisions. Moreover, it is difficult to compare a light division that has organic artillery and anti-tank weapons with a ranger battalion of about 600 men with no organic artillery and few anti-tank weapon systems. In addition the division is designed to be reinforced with heavier combat elements under its control if the combat situation demands.

Senator TOWER. What mobility and firepower systems will the light divisions be armed and equipped with?

General WICKHAM. While primarily foot mobile, the new light division will have enough UH-60 helicopters to move one infantry battalion in one lift and enough High Mobility Multi-purpose Wheeled Vehicles (HMMWVs) to simultaneously move another infantry battalion. Principal firepower of the light division will be 105mm artillery, TOW anti-tank weapons, Dragon anti-tank systems, 107mm mortars, as well as Vulcan and Stinger air defense systems.

HMMWV

Senator TOWER. Is the high mobility, multi-purpose wheeled vehicle (HMMWV) a combat vehicle or a combat service support vehicle? If the HMMWV is mounted with a TOW missile, does that make it an assault vehicle? What level of armor defeating capability does the HMMWV provide as protection for the crew?

General WICKHAM. The HMMWV may be either a combat vehicle or a combat service support vehicle depending on which body configuration is mounted on the common chassis. Mounting the TOW missile on the HMMWV does not make it an assault vehicle. The basic HMMWV has armor protection against projectiles weighing up to 16 grains at a velocity up to 450 meters per second. Supplemental armor gives increased protection against projectiles weighing 44 grains with velocities up to 650 meters per second.

NEW LIGHT DIVISION

Senator TOWER. What policy led to the Army's decision to create a new light division?

General WICKHAM. To meet the challenges of the massive growth in Soviet landpower, the growing Third World threat, aggressive Soviet use of surrogates, and the increasing use of terrorism as an instrument of foreign policy, the Army has taken the next step of an evolutionary effort toward total force modernization aimed at improving conventional force deterrent posture. While our heavy forces are structured, trained, and equipped to counter the major conventional warfare portion of the spectrum of conflict, our light forces are better suited for quick reaction-low intensity scenarios which have historically characterized the use of land power since World War II. Since available strategic air and sealift are at a premium, Army force designs must accommodate this constraint in order to produce greater strategic flexibility. The thrust of the Army's light forces initiative, therefore, is an effort to modernize light forces, and to make them more deployable in recognition of a continuing need for an immediate, flexible, credible, deterrent capability in an increasing violent world.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

LIGHT DIVISION

Senator THURMOND. Mr. Secretary, General Wickham, it is a pleasure to have you here today to give us your views on the status of the United States Army.

I have visited Fort Jackson in my home State several times during the past year and I feel that it is important to emphasize the fact that the quality of today's basic trainees is at an all time high. The standards have been raised and morale is very high. The men and women responsible are deserving of high praise.

Also, I feel that the new "light division" is an excellent concept that will allow rapid reinforcement of various theaters of conflict. My first question to you is:

When are you going to put a light division in Fort Jackson?

Secretary **Marsh**. A decision on stationing of the 17th active component division has not yet been made. A range of CONUS installations which could accommodate the division are being examined. Key considerations include strategic positioning, training areas available, facilities available, future construction costs, and environmental and community impacts. An on-site survey is being conducted. Results of this survey will be forwarded to Department of the Army during April 1984.

Senator **Thurmond**. The light division concept is also excellent for the National Guard. How many Guard divisions will ultimately become light divisions?

Secretary **Marsh**. Based on the results of evaluations of the first light division at Fort Ord, consideratiion will be given to the future activation of a Reserve Component light infantry division. No decision has yet been made on how many National Guard divisions will ultimately become light divisions.

EUROPEAN WEAPONRY ISSUES

Senator **Thurmond**. There's been a great deal of public concern about the use of nuclear weapons in Europe and the need for emphasis on conventional weaponry with increased accuracy and lethality. What are the status of these programs?

General **Wickham**. Our AirLand Battle doctrine, as contained in Field Manual 100–5, *Operations*, dated 20 August 1984, is the authoritative statement of the Army's combat doctrine for worldwide application today. AirLand Battle emphasizes use of conventional weapons. It also provides guidelines for defensive and offensive nuclear and chemical operations in view of the growing Soviet capability to employ these weapons. The doctrine clearly states that nuclear and chemical weapons can only be used after specific authority by the US National Command Authority. AirLand Battle increases our conventional force capability by exploiting the full potential of US forces throughout the entire depth of the enemy force and synchronizing all available combat means, including those of the other services, to attain that end. This greater conventional capability provides us more confidence that we, together with our allies, can deny the enemy his objectives without recourse to nuclear weapons. This also improves deterrence thereby making war itself less tempting to our potential enemies.

LASER GUIDED MUNITIONS

Senator **Thurmond**. Laser guided munitions such as Copperhead and Hellfire seem to be proving very accurate. What capability does the Soviet Union have to hamper or confuse the laser designation?

General **Wickham**. There are four approaches to defeating laser guided munitions such as Copperhead and Hellfire:

Attack the launch platform,
Attack the laser designator,
Design armored vehicles which can withstand attack by the munition,
Break or confuse the guidance link.

Thus far, the Soviet approach has been to use a mix of tanks, infantry fighting vehicles, field artillery, and combat aviation to attack the launch platform and designator. They have been [deleted].

In the past, smoke and aerosols have represented their only techniques to break or confuse guidance links. [Deleted.]

NBC DEFENSE

Senator **Thurmond**. When will our fighting vehicles be equipped with overpressure systems?

General **Wickham**. The fiscal year 1977 appropriations bill, Public Law 95–79, required the Army to submit to the Congress a plan to incorporate collective protection into combat vehicles and selected associated equipment. The Army plan, submitted to the Congress on 1 February 1978, recognized the need for combat vehicle collective protection, but identified only a limited number of vehicles needing an overpressure system. Further, to support US tactics, these vehicles were to be fitted with a hybrid system capable of providing either overpressure or ventilated facepiece collective protection. Other combat vehicles did not require an overpressure system and were to be fitted with ventilated facepiece collective protection.

Implementation of the Army plan began in August 1978 with the initiation of development of a Hybrid Collective Protection system. This development effort will be completed in fiscal year 1984.

The Hybrid Collective Protection System is scheduled to be applied to the M1 Tanks produced in August 1985 and later. The Sergeant York Gun System is scheduled to be produced with a Hybrid Collective Protection System beginning in fiscal year 1986. Subsequent applications are scheduled for the Bradley Fighting Vehicle Systems produced in fiscal year 1989 and later. In the interim period, collective protection for crew members of these systems will be provided by ventilated facepieces.

Senator THURMOND. Given the nature of Soviet chemical warfare capabilities, why were overpressure systems left out of the original design?

General WICKHAM. The original design and first prototypes of the M-1 tank included an overpressure system. However, problems were encountered with size, weight and power requirements of the system that could not be solved at that time with available technology. Therefore, it was determined that tanks and fighting vehicles requiring collective protection systems would continue to use ventilated facepieces until such time as required technologies were available.

QUESTIONS SUBMITTED BY SENATOR ROGER W. JEPSEN

ACTIVE, GUARD AND RESERVE [AGR] PROGRAM

Senator JEPSEN. Secretary Marsh and General Wickham, in the fiscal year 1984 budget request the Army requested a growth of more than 7,000 personnel in Active, Guard and Reserve (AGR) personnel serving in full-time support of the Reserve Components of the Army. This committee recommended that growth be limited to one-half of the request because of concerns over the Army's implementation of the program which had been identified by the General Accounting Office, and various Reserve associations. This year the Army is requesting an increase of 15,956 personnel in the AGR program—more than twice the size of last year's request. What has the Army done in the past year to overcome the deficiencies identified in the AGR program which now would justify this committee supporting the Army's request for almost 16,000 increase in this program?

Secretary MARSH. GAO and others criticized the manner in which positions were established; the absence of a personnel management system, and the perceived failure to objectively evaluate the program's effectiveness. In a draft report, GAO further recommended that the program's growth be slowed pending completion of a comprehensive evaluation of its effectiveness. This recommendation was omitted from the agency's final report. Instead, the GAO auditors merely recommended that the Army improve its evaluation instrument. A Department of the Army study group was formed in June 1983 to recommend definitive guidelines for identifying full-time support positions at unit level, and to prepare an Active Guard Reserve personnel management plan. Implementation of the study group's recommendation will ensure that Active Guard Reserve personnel are assigned to readiness enhancing positions appropriate for their grade. In addition, the study group prepared a management plan that prescribes selection, assignment and retention policies designed to attract, develop and retain the high calibre of Active Guard Reserve soldiers needed to achieve the program's objectives. These soldiers will be able to increase their skills and proficiency on the latest equipment and fighting doctrine through periodic service with the Active Component and attendance at refresher courses.

The Army will continue to improve its management procedures to include refining its evaluation methods as recommended by GAO.

The requested increase in Active Guard Reserve strength is essential to enhance the Reserve Components to the unprecedented level of readiness that their mission responsibilities require.

RECRUITING FOR THE RESERVE COMPONENTS

Senator **Jepsen**. Following up on that question, Mr. Secretary and General Wickham, the Army requests a growth of some 34,000 in the Reserve Components, about 16,000 of which would be in the Active, Guard and Reserve program. On what basis does the Army believe it can recruit 34,000 additional personnel in the Reserve Components and get 16,000 Reservists and Guardsmen to go on full-time duty to provide the full-time support?

Secretary **Marsh**. The Reserve Components can achieve growth to 34,000 through expanded advertising, additional recruiters and increased enlistment bonuses. Historically, the Army has been successful in attracting Guardsmen and Reservists for full-time support duties, and we are not aware of anything operating in the marketplace that would deter a continuation of this growth.

READINESS STATUS

Senator **Jepsen**. General Wickham, I am pleased to see that the Army is taking the lead on transferring active duty missions to the Reserves. The Army has programed substantial increase in end strengths for the Reserve and National Guard with virtually no increase in the active duty end strength. Your projections on page 57 of your statement show that by fiscal year 1989, the Reserve Components will comprise 53 percent of the Total Force.

But, as you know, increases in end strengths and assigned missions are only part of the process of integrating the Reserve Components into the Total Force. There must also be an improvement in readiness and this will also be a function of modernization and operation and maintenance funding. If we are not very careful, we could end up with an increased force structure of Reserve and National Guard units with lower individual unit readiness.

Could you provide, either here today or for the record, the current readiness status of the Reserve Components, with a breakout of those units in readiness category C-1 and C-2, as well as similar information for the active duty component?

General **Wickham**. The unit status report is the management tool which provides only one dimension of the overall readiness of Army units. The report provides the current status of units as measured by C-ratings which are indicative of resource fill of units at a point in time compared to their wartime requirement as expressed in unit authorization documents.

The current unit status of Active Component, US Army Reserve and Army National Guard battalion size units is shown on the chart.

The unit status ratings for the reserve components do not reflect key mobilization/post-mobilization actions which increase unit status and improve units' wartime deployability posture. Specifically, the improved status of later deploying RC units after redistribution of equipment left by early deploying POMCUS units, personnel cross leveling actions, and post mobilization training are not computed in the RC unit status reports.

Many Active and Reserve Component units are reporting less than C-3 because of the Army's extensive modernization programs. During modernization transition, changes in a unit's authorization document increase requirements before equipment is available to the entire force. This occurs when modernized equipment with associated support items of equipment (ASIOE) are added to an organization, or when a unit is being reorganized to a more capable organization. Because units status ratings are measured against documented wartime requirements, the ratings are degraded. In many cases unit readiness and capabilities have already increased through the fielding of more capable equipment and organizations even though all equipment fielding has not caught up with the document changes. For example, a tank battalion equipped with M-1 tanks is more capable than one equipped with M60A3 Tanks although some ASIOE may not be available for a time in the battalian with M-1 tanks.

Other examples of readiness and capability improvements among AC and RC units that are not reflected in the unit status report include increases in POMCUS stocks which reduce the amount of time required to deploy units overseas for support of contingency requirements, and personnel increases in the Individual Ready Reserves, a manpower source to fill shortages during emergencies. Another significant initiative which enhances RC readiness is reflected in the continued growth of the Full-Time Manning Program. The program recognizes that the demands of increased reliance on the RC, limited available post-mobilization training time and variables such as increasingly complex equipment, can only be met by assignment of full time personnel.

UNIT STATUS OF ARMY UNITS

NUMBER OF UNITS ACHIEVING UNIT STATUS RATINGS

UNIT STATUS C-RATINGS	ACTIVE COMPONENT BATTALION SIZE UNITS	US ARMY RESERVE BATTALION SIZE UNITS	ARMY NATIONAL GUARD BATTALION SIZE UNITS
C-1	[D]	[D]	[D]
C-2			
C-3			
C-4			
C-5 (USED DURING PERIODS OF MODERNIZATION TRANSITION OR MAJOR EQUIPMENT CONVERSIONS)			

Senator JEPSEN. I would also like to have a projection for the readiness status of the Reserve Components in fiscal year 1989, under the current Five Year Defense Plan.

General WICKHAM. As a result of our efforts since fiscal year 1981, we are able to show substantial improvements in the capabilities of the Reserve Components.

The Reserve Components will continue to receive new and displaced equipment in increasing numbers. During fiscal year 1985 Reserve Component units can expect to receive more than 10,000 items of equipment totalling approximately $1.4B. Included are some of our most modern items: M1 Abrams tanks, Bradley fighting vehicles, M198 towed howitzers and over 8,000 new trucks. In addition to these new items stemming from prior years procurement, additional tanks, TOW missile carriers and Chaparral air defense systems will be redistributed to Reserve Component units from other units. Specific emphasis is being placed on reducing shortages that impair training. Further out in the Army program, the RC will continue to receive modern systems along with their AC counterparts.

The increasing number of Reserve Component units using the National Training Center should provide a marked improvement in the capability of the Reserve Components to shorten their mobilization times and to be ready to work with their associated Active units in realistic combat situations.

The CAPSTONE program has been firmly established. CAPSTONE provides an organizational linkage of AC and RC units to meet wartime requirements and the needs of the CONUS sustaining base. This program will continue to improve mobilization and wartime planning, and the capability of units to train for their wartime missions.

With your continued support, we will be able to maintain and expand these improvements to the Reserve Components through the 5-year period.

PROCUREMENT BUDGET

Senator JEPSEN. I would like information on the projected procurement budget for the Reserve Components. Specifically:

> The actual amounts programed for Reserve Components procurement over the next 5 years.
>
> The percentage of the overall Army TOA represented by Reserve Components procurement funding annually over the next 5 years.

Please provide any additional information that you may wish on reserve readiness projections.

Secretary MARSH. First I wish to clarify that the Army does not have a separate procurement budget nor a separate procurement program for the Reserve Components. Rather, the Army procures equipment based on the "Total Army" concept. Total equipment buys are based upon consideration of the quantities required by all units regardless of component, but obviously limited by available resources. Distribution of equipment is based on the relative priorities and deployment status of the units requiring the equipment, regardless of whether the unit is in the Active or Reserve Component. Distribution is determined after passage of the President's Budget. Therefore, changes to the President's Budget would be reflected in changes to the distribution plan. The following distribution projections consider distribution from redistribution, modifications, new procurement, overhaul, dedicated and directed procurement. Projected equipment distribution to the Reserve Components is as follows:

[In millions of dollars]

	Fiscal year—		
	1983	1984	1985
USAR	95	304	352
ARNG	370	611	1,045
Total	465	915	1,397

The fiscal year 1984 appropriations bill requires the services to submit procurement data for the Reserve Components with the fiscal year 1985 President's budget. That data is currently being developed utilizing an extrapolation from projected distribution plans and will be delivered to Congress on March 1.

Additional projections on equipment availability for the Reserve Components are contained in the annual Force Readiness Report, which is forwarded to Congress by OSD on February 15 of each year.

RECRUITING

Senator JEPSEN. Finally, this committee has worked hard over the past 3 years to improve the quality of life for the people in the Army through pay increases, housing compensation, and travel allowances. We have at the same time sought to use the available funds where they would do the most good. For that reason, last year the committee did not increase the basic pay level of basic recruits entering the service or for the first 4 months of active duty.

Have there been any demonstrable effects upon the Army's recruiting efforts because of that action?

General WICKHAM. As you are aware, that compensation package did not go into effect until January. Measuring the effects at this early date would not yield a valid answer.

QUESTIONS SUBMITTED BY SENATOR DAN QUAYLE

MILITARY CONSTRUCTION

Senator QUAYLE. I am pleased to see that the fiscal year 1985 military construction budget places a strong emphasis on new barracks improvements. My visit last year to Fort Benjamin Harrison convinced me of the importance of getting our troops out of World War II vintage barracks and into barracks that provide decent, modern living conditions. I would appreciate if you could provide me for the record the status of the new barracks approved in the fiscal year 1984 bill and the plans for the second of the three new barracks planned. I understand it is far enough along in the planning and design to be included in our fiscal year 1985 bill to be built from savings and would like to know whether you support that?

Secretary MARSH. The fiscal year 1984 barracks project will be funded through reprograming of prior year savings. It will be advertised for bid this June and should be awarded in early August assuming that the Appropriations Committees approve the reprograming in a timely manner. The design for the second barracks is a site adaption of the original barracks' design. It can be awarded in fiscal year 1985. I would support funding this project through use of potential savings.

JOINT STARS AND JOINT TACMS

Senator **Quayle**. General Wickham, could you give me the Army's perspective on how the Joint STARS and Joint TACMS programs are proceeding?

General **Wickham**. Joint Programs are always easier to develop when you start with agreed upon Joint Service Requirements. This was not the case with these programs and we have paid a penalty in time to meld our service unique needs into single, common, radar and missile development programs.

The Army and Air Force have agreed on a common set of requirements for the Joint Surveillance and Target Attack Radar System (Joint STARS). The system will be developed using a phased approach to provide the Army an early capability, followed by development and fielding of the objective multi-mode system. The last major impediment to release of the Request for Proposal has been resolved and release of that document to industry is expected in about three weeks.

The Army and Air Force continue to support development of a conventional capability in the Joint Tactical Missile System (JTACMS). Both services are now engaged in intensive analysis to quantify and define system operational requirements. Three efforts deserve mention: (1) a Joint Army-Air Force development group is reviewing each service's combat capabilities and is examining ways to field the best affordable capabilities with a minimum of system duplication; (2) The Air Force has competed a preliminary conventional standoff weapons analysis, and has received and is analyzing industry's responses to its Request for Information; and (3) The Army analysis of options to satisfy its need for JTACMS is nearly complete. At the completion of these three ongoing efforts, the services will be in a good position to identify their specific requirements and draft a JTACMS Request for Proposal.

Senator **Quayle**. Do you believe the Army and Air Force can merge their requirements and successfully complete these programs?

General **Wickham**. The Army and Air Force continue to support development of a conventional capability under the Joint Tactical Missile System program. Both services are currently working to establish the joint requirements for a JTACMS. Both services are presently engaged in intensive analysis to quantify and define their operational requirements. The Army and Air Force have agreed on a common set of requirements for the Joint Surveillance Target Attack Radar System. The system will be developed in three phases. The first will provide the Army an early wide area surveillance capability, the second a fixed target indicator and the third will complete the development of the Air Force and Army weapons guidance system.

RDX/HMX IMPROVEMENT PROGRAM

Senator **Quayle**. Would you provide further detailed information on the plans for the RDX/HMX Improvement program regarding site selection and scope of the program following congressional review?

General **Wickham**. The initial planned improvement for RDX/HMX consists of five efforts:

a. Modernize and increase the productivity at Holston Army Ammunition Plant (AAP).

b. Convert one line from RDX to HMX production at Holston AAP to meet increased peacetime requirements for HMX.

c. Demonstrate a new HMX manufacturing process, construct a pilot plant, design and construct a .5 million pound per month HMX plant.

d. Design and construct a 4.5 million pound per month RDX Bachmann plant.

e. Stockpile approximately 150 million pounds of RDX/HMX composition.

The cost of this effort in the FY85–89 FYDP is $887 million with a total cost to completion of $1250 million (FY83–91).

The Army plan includes fifteen potential government-owned candidate sites for the new RDX/HMX plants. It is expected that a detailed cost analysis will indicate relatively small differences between these locations.

In addition, the Army intends to consider the potential merits of private sector financing of new facilities. Expressions of interest have been received from several corporations and local governments including an unsolicited formal proposal.

A detailed analysis of these approaches and selection criteria will be performed after the Congress has had an opportunity to review the overall concept and has indicated "in principle" support for the Master Plan.

QUESTIONS SUBMITTED BY SENATOR PETE WILSON

AIRLIFT MASTER PLAN

Senator WILSON. General Wickham, are you familiar with the Air Force "Airlift Master Plan"?

General WICKHAM. Yes, I am aware of the U.S. Air Force "Airlift Master Plan".

Senator WILSON. Since the Army is the primary customer of military airlift, do you endorse the recommendations of the Airlift Master Plan?

General WICKHAM. Yes, the Army supports the findings and recommendations of the Airlift Master Plan. The Airlift Master Plan provides a logical, well structured, responsive airlift system designed to satisfy Army airlift requirements. The plan provides for substantial improvements over today's airlift force across the full spectrum of airlift missions. The airlift force specified in the Airlift Master Plan provides the Army with a capability to rapidly deploy and sustain fighting forces in the pursuit of national objectives.

Senator WILSON. Specifically, do you endorse the requirement for the unique capability both inter and intra-theater that the C–17 aircraft offers? Would you characterize this capability as an Army priority?

General WICKHAM. The C–17 airlift program, as outlined in USAF Airlift Master Plan, provides a well-structured, responsive airlift system. It is the best approach to meet Army minimum force closure requirements. It increases fiscal year 1988 programed intertheater lift capability by 35 percent and satisfies Congressionally Mandated Mobility Study (CMMS) minimum objective of 66 million ton-miles per day (MTM/D). Furthermore, the C–17 procurement increases fiscal year 1988 programed intratheater lift capability by 78 percent and gives the Army direct delivery to forward operating locations and airdrop/extraction of outsize equipment. Strategic mobility forces have suffered from neglect for past 13 years. During the past three years, real progress has been made. Significant improvement in intertheater airlift has been made with the programed procurement of 50 C–5B's and 44 KC–10's. Intratheater/direct delivery capability is clearly deficient. The C–17 acquisition program will make a significant improvement in Army's ability to meet inter and intratheater mobility requirements. Approval of the 1985 Full-Scale Engineering Development (FSED) is a must. The Army fully supports the Air Force airlift acquisition program, which includes procurement of 50 C–5B's, 44 KC–10's and starts FSED for C–17 in 1985 leading to an Initial Operating Capability (IOC) of 1992.

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

READINESS

Senator NUNN. General Wickham, the chart on page 24 of your posture statement shows an improvement in the number of Army units not combat ready due to personnel from 1980 to 1983. What are the comparable figures for the number of Army units not combat ready for other reasons—supply, equipment readiness, training—from the end of 1980 through the end of 1983?

General WICKHAM. The readiness of the Army consists of its ability to man, equip and train its forces and to mobilize, deploy and sustain them as required to accomplish assigned missions. I rely on the unit status report to provide only one measure of the overall readiness of our units. The unit status report provides the current status of units and yields C-Ratings which are indicative of resource fill of units at a point in time compared to their wartime requirement as expressed in unit authorization documents.

A comparison of Active and Reserve Component major combat units (a total of 65 divisions, brigades and armored cavalry regiments), with a unit status less than C–3 for personnel, equipment on hand, equipment readiness and training reasons is shown at the chart.

[Deleted.]

That there was no significant improvement in overall unit status from fiscal year 1980 to fiscal year 1983 is based on the way unit status is measured and what it measures.

The resource areas of personnel and equipment measurements are based on the numbers available/amount on hand compared to wartime requirements expressed in unit authorization documents. The commander develops a training rating by subjectively estimating the time it will require his unit to become fully trained. The overall unit status C-rating is based on the unit status rating computed for personnel, equipment and training resource areas. Usually the overall unit status rating is not better than the lowest C-rating computed or assigned any one of the measured elements.

[Deleted.] Since October 1980, there has been an increase in the number of AC units achieving authorized levels in the Senior Grade personnel area and an increase in the number of AC and RC units achieving authorized levels in the Military Occupational Specialty and Strength personnel areas. Noncommissioned Officer shortages have decreased significantly and it is projected that the shortages will be eliminated by the end of fiscal year 1984. Increases in the Individual Ready Reserve and Reserve Component Full Time Manning programs have also increased.

[Deleted.] The increase is due to the Army's extensive modernization program. During modernization transition, changes in a unit's authorization document increases wartime requirements before equipment is available for fielding. This occurs when modernized equipment with associated support items of equipment (ASIOE) are added to an organization, or when a unit is being reorganized to a more capable organization. Consequently, because unit status ratings are measured against documented wartime requirements, the ratings are degraded. In many cases unit readiness and capabilities have increased through the fielding of more capable equipment and organizations even though all equipment fielding has not caught up with the document changes. The graph reflects documentation changes which are occurring during modernization transition, and does not show true readiness and capability of these major combat units.

The actual fielding of resources through budget increases have significantly improved force readiness and capabilities. Old and obsolete equipment are being replaced and other items such as the TOW and DRAGON night sights provide a new capability where none existed previously. Other systems which are part of the force modernization programs include the UH-60 Blackhawk, the most advanced utility helicopter of the 1980's; the M1 tank and its companion Bradley fighting vehicles, which provide our combined arms teams the most powerful, mobile survivable combat vehicles possible; and the Multiple Launch Rocket System, the newest and most modern field artillery system. These are essential to our ability to fight and win on the modern battlefield now and in he future.

[Deleted.] The unit status for equipment readiness includes equipment on hand shortfalls caused by document changes and is derived from a computation of mission capable equipment on hand compared to full wartime requirements.

[Deleted.] This improved training status of the Army reflects initiatives taken and improvements made possible by budget increases since fiscal year 1980. Improvements in institutional training for the enlisted soldiers and officers, the Army flying hour program and (installation) range modernization programs have resulted in improved individual and unit proficiency through high quality training programs. The National Training Center offers a tactical training environment of advanced target and simulation systems and specifically trained opposing forces, where Active and Reserve Component units can conduct realistic, mission-oriented training, a critical aspect of a unit's readiness and capability. The overseas deployment training program provides excellent opportunities for the Reserve Components to train in their probable deployment area with the command under which they will fight.

UNIT STATUS OF ACTIVE AND RESERVE COMPONENT MAJOR COMBAT UNITS NOT COMBAT READY

[Deleted.]

AIRLAND BATTLE CONCEPT

Senator NUNN. General Wickham, the AirLand Battle concepts have been incorporated in Army field manuals since August 1982. Please give the committee a status report of the Army's progress in integrating these changes in doctrinal concepts into its own training and the training of the other services, especially the Air Force.

General WICKHAM. The AirLand Battle doctrine as contained in our August 1982 version of Field Manual 100-5, *Operations*, provides operational guidelines for use by commanders and trainers at all echelons. It is the foundation for Army service school curricula and is being taught today throughout our schools system. Our field units are exercising the AirLand Battle in field training and command post exercises. These actions are done in a joint not single service context. The basis for these joint actions with the Air Force is the Memorandum of Understanding (MOU) on Joint USA/USAF Efforts for Enhancement of Joint Employment of the AirLand Battle doctrine which was signed on 21 April 1983 by General Meyer, the former Army Chief of Staff, and General Gabriel, the Air Force Chief of Staff. With this MOU we have increased our dialogue on specific tactics, techniques, procedures, and training for joint execution of airland operations.

Senator NUNN. What efforts are being made within the Army to reorient the development and acquisition of those systems that support, or enable the Army to better execute, the AirLand Battle concepts? Please give examples of specific weapons systems in this category.

General WICKHAM. The decisive element of our AirLand Battle doctrine is the emphasis on maneuver by our combat elements. Consequently, our resource priorities for the M-1 tank, M-2 infantry fighting vehicle, and AH-64 attack helicopter are essential to the execution of our doctrine.

In addition, we are developing improved capabilities for fighting the deep and rear portions of the AirLand Battle doctrine. Our programs for the Joint Tactical Missile System and Multiple Launch Rocket System will be important parts of our ability to fight deep, while the UH-60 utility helicopter and High Mobility Multipurpose Wheeled Vehicle are examples of flexible systems that contribute to our capability to fight in our rear areas.

Finally, in November 1983 General Gabriel, the Air Force Chief of Staff, and I signed a Memorandum of Understanding to initiate a process to develop jointly the forces required for airland combat operations. The first step in this process was the establishment of a joint group to insure coordinated programs in the Army and Air Force fiscal year 1986-90 POMs. General Gabriel and I chartered this group to develop the most affordable, cost effective force we can field to execute Air Land combat operations, and we will seriously consider the findings of this study.

Senator NUNN. What progress are the Army and Air Force making in agreeing to a common approach to the joint tactical missile and joint radar to support the second echelon attack portion of AirLand Battle?

General WICKHAM. After completion of the ongoing Army and Air Force analytic efforts we will be in a good position to refine our specific requirements for the Joint Tactical Missile System in a Joint Statement of Operational Requirements and then complete the ongoing draft of a Request for Proposal. On 7 October 1983 the agreed upon joint requirements for the Joint Surveillance Target Attack Radar System was briefed to and accepted by the Principal Deputy Under Secretary of Defense for Research and Engineering.

In addition, the Army and Air Force have agreed to the following joint statement:

This statement presents the status of the Army-Air Force Joint Tactical Missile System program. Its purpose is to illuminate the considerable effort which both Services are undertaking to jointly develop the requirements for this missile system and to reaffirm the funding commitment the services have to a weapon which meets these requirements.

The Army and Air Force continue to support development of a conventional capability under the Joint Tactical Missile System program which would enable Army forces to engage key targets with surface to surface means beyond the range of cannon and rocket artillery and provide the Air Force with an improved standoff weapons capability. Both services are currently working to establish the joint requirements for a JTACMS. These requirements are directed to ensure development of effective and affordable combat capabilities which maximize the use of existing personnel and material resources, capitalize on emerging technologies, and significantly improve the ability of the services to conduct joint airland battle operations.

Both services are presently engaged in intensive analyses to quantify and define their operational requirements. Three efforts, in particular, deserve mention:

(1) A Joint U.S. Army-Air Force Development Group was formed and charged by both Chiefs of Staff to review the combat capabilities of both Services and recommend adjustments to the services' fiscal year 86-90 POMs. Their task is to insure the two services are fielding the best affordable Air Land combat force which minimized system duplication without jeopardizing force effectiveness. In addition to other specific systems, this Group is reviewing the JTACMS program. Its findings will be available after mid March 1984.

(2) The Air Force has completed a preliminary conventional standoff weapons analysis which was used as an input in developing the Air Force statement of

operational requirements for standoff weapons. This study examined the cost and effectiveness of cruise and ballistic missiles as well as manned aircraft in attacking second echelon targets. The target sets examined included SAM sites, airfields, bridges, other fixed interdiction targets, and mobile force elements. The Air Force has released a Request For Information (RFI) to industry for the purpose of obtaining information on the options available to meet the Air Force extended range standoff weapons requirements. The responses will include both ballistic and cruise missile candidates. An evaluation of these responses is scheduled to be completed by 29 February 1984.

(3) The Army analysis of options to satisfy its need for JTACMS is planned for completion about 1 March 1984. This analysis includes rigorous modeling to understand the attrition and force ratio consequences of various options as well as qualitative analysis of the aspects of Army requirements not appropriate for an attrition-based computer model. Options being considered in this analysis include variants of the Lance, Patriot, MLRS, and direct combat systems, in order to understand the number of possibilities available for engaging key targets in depth beyond the range of the forces directly in contact. Both this and the Air Force analysis are structured to cover the full range of possibilities for a JTACMS.

At the completion of these analyses, the services will be in a good position to refine their specific requirements in a Joint Statement of Operational Requirements (JSOR) and complete the ongoing draft of a Request For Proposal. The outcome of this joint effort will permit the Services to have the best justification and definition of the service unique and joint aspects of the program before going to industry for detailed proposals.

Following completion of the JSOR and the publication of the Request For Proposal, the services will be in a position to enter into full-scale development contracts. We will be in better position to know if this plan is advisable following the completion of the detailed analyses and the final definition of the service unique and joint requirements. However, present plans call for contracts to be let in the latter portion of this fiscal year.

Both services are committed to the best practical joint program and reaffirm their fiscal commitments: The Army has the lead in this joint program and has agreed to funding totaling $79M in fiscal year 1985, and $701.7M for fiscal years 1986–89. The Air Force funding totals $36M in fiscal year 1985, and $546M in fiscal years 1986–89.

LESSONS LEARNED FROM GRENADA AND LEBANON

Senator NUNN. What "lessons learned" from Grenada and Lebanon is the Army incorporating into your training?

General WICKHAM. At this time we are conducting an assessment of the lessons learned in the Lebanon War based on all available reports and sources to include corroborating evidence from the intelligence community. This assessment will include lessons appropriate for the Army and recommended actions to implement them. Concerning Grenada, I have directed that a similar study be conducted to include developing an action plan to incorporate the lessons learned. Both studies will be completed in the near future.

ARMY AIRLIFT REQUIREMENTS

Senator NUNN. General Wickham, because of the organization of the three services, and the division of roles and missions among them, the strategic airlift assets on which the Army depends so much do not fall under your service's control. Do you think the Army could function with greater confidence if it controlled that portion of strategic airlift that it requires for reinforcement of Europe? Do you feel that this year's budget request devotes sufficient resources to airlift?

General WICKHAM. Army forces rarely deploy separately, but rather as part of a joint service force in response to various contingencies. DOD has created a vigorous program which is leading to solutions that will resolve many of our shortfalls that result from the requirements to deploy a joint force. I see no reason to change this method of deployment at this time.

Progress is being made as evidenced by the U.S. Air Force requests for funding of the C–17 RDT&E which represents a major step toward enhancing both inter and intratheater airlift. Of critical importance to the Army is that sufficient funding is provided from fiscal year 1985 to fiscal year 1980 to insure that a fiscal year 1992 IOC* is achievable for C–17.

Having said this, there continues to exist a need for intertheater airlift above that which is currently programmed. The current airlift program for the KC–10, C–5B, and Civil Reserve Air Fleet is moving in the right direction to meet our mid-term objective. However, it must continue beyond the current program to achieve the 66 million ton-miles per day capability recommended by the Congressionally Mandated Mobility Study (CMMS).

Senator NUNN. If you owned the airplanes and could design an airlift aircraft to meet your most pressing needs, what type aircraft would you want?

General WICKHAM. Airlift is the role and mission of the US Air Force. We coordinate closely with the Air Force on our airlift requirements in both the Joint Staff environment, as well as in bilateral communications.

The Army has movement requirements, both inter-theater and intra-theater, which cannot be adequately performed by the existing airlift fleet. Army movement requirements require an airlifter capable of performing the following missions:

(a) Inter-theater direct delivery of forces into austere airfields to facilitate rapid force buildup.

(b) Intra-theater delivery of outsize equipment to austere airfields.

(c) Airland, Airdrop and Parachute Extraction of the full range of key modernized equipment.

(d) Inter-theater performance with the capability to transition into the intra-theater role after the initial air deployment phase for the onward movement of units, equipment and resupply.

The critical element of time must be added to the above mission criteria. The Army continues to emphasize the need to close significant forces (battalion and brigade size) quickly into small, austere airfields with limited ramp space and taxiways.

The Army has inter- and intra-theater movement requirements, the majority of which can be best satisfied by the outsize equipment, small, austere airfield delivery capability of the C–17. The C–17 will make a significant contribution to the warfighting capability of the ground tactical commander. We will continue to examine the current and future operational airlift requirements in detail with the Air Force in pursuit of achieving an airlift force which satisfies the Army's inter- and intra- theater needs.

FORCES IN HONDURAS

Senator NUNN. General Wickham, can you describe the forces that have been sent to Honduras? How many troops? What kinds of units? What missions assigned? What kind of training and how different from training in the United States? Specifically what are they doing for the Hondurans?

General WICKHAM. During Exercise Big Pine II from August 1983 to 29 February 1984, Army troop strength averaged about 2800. There were engineer, field artillery, special forces, communications, aviation, and support units taking part in the exercise. Army units were assigned missions to support the joint/combined exercise scenario. Missions included combined training, construction of temporary exercise facilities, medical training, and support tasks. Compared to training in the United States, Big Pine II exercise activities in Honduras gave Army forces a chance to conduct valuable combined training in a tropical environment and send a strong signal to U.S. opponents in Central America. Specifically, the Hondurans, as well as U.S. forces, benefited from the results of combined training in all exercised aspects of their military operations.

Senator NUNN. Secretary Weinberger yesterday referred to a permanent U.S. force to remain in Honduras. Is that in your budget request? How big a force and what missions will it have? Will it change other Army missions?

General WICKHAM. Secretary Weinberger approved a presence of about [deleted] participating in Emergency Deployment Readiness Exercises or [deleted].

As there are no plans to establish a permanent U.S. force in Honduras, there is no specific budget request to support such a force. [Deleted.]

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*Initial operational capability.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

QUANTITATIVE ADVANTAGES OF WARSAW PACT FORCES

Senator LEVIN. In its monthly magazine, *Defense '83* last June, DOD featured an article based on a press briefing. SecDef Weinberger's article highlighted the quantitative advantages Warsaw Pact forces have over NATO in tanks ("three times as many tanks in Europe") and he extolled the next Soviet tank, the T-80. He also said, "Improvements in Soviet tank forces indicated the crucial need for moving forward with the M1 tanks, the only NATO tank which can match the T-80." General, do you agree with that assessment?

General WICKHAM. [Deleted.]

M1 TANK POWERTRAIN DURABILITY

Senator LEVIN. General, the M1's powertrain durability was a concern of Congress last year, since the tank was still two-hundredths of a percentage point shy of meeting the requirement that it have a 50-percent probability of traveling 4000 miles before a powertrain failure which required replacement of a major component of the powertrain—engine, transmission, and final drive.

The additional testing Congress required now has been completed, and the M1 passed with flying colors, didn't it? The tank actually demonstrated powertrain durability some 32 percent greater than that required (0.66/4,000 miles vice 0.50/4000), didn't it? Provide details of the test for the record.

General WICKHAM. Yes it did. The additional testing was conducted on seven randomly selected M1 production vehicles. The test was run at Aberdeen Proving Ground, Maryland, from July to December 1983. Each vehicle was required to accumulate a minimum of 4,125 miles for the demonstration. The final total accumulated mileage was 29,119 miles on the 7 vehicle sample. During the test, the maximum allowed powertrain durability failures was 5—only 3 actually occurred. One of the incidents occurred early in the test and was on the engine. A bevel gear nut had not been properly torqued which was attributed to a poorly designed torquing fixture. This fixture has been changed. The other two incidents occurred on the transmission. One of these incidents involved a switch on the transmission that, due to its location, requires high level maintenance. This switch has been made readily accessible on the transmission in the M1E1 vehicle system. The other incident involved a thrust bearing within the transmission. This bearing has been made heavier duty in the M1E1. In summary, the test proved the powertrain is indeed durable.

PERFORMANCE OF M1 TANK IN REFORGER 83

Senator LEVIN. In its latest actual combat test—our major REFORGER 83 exercise in Europe—the M1 also performed excellently under stressing battlefield conditions, didn't it?

Please provide detailed results of the M1's performance in REFORGER 83.

General WICKHAM. Fifty-three M1 tanks participated in REFORGER 83. During REFORGER 82, 174 tanks participated. However, in 1983 each tank accumulated 71 percent more miles and 74 percent more hours of operation. Despite the greater intensity of operation, the M1 Abrams maintained an operational readiness rate of 98 percent. Perhaps a more significant point is that in 1983 we had a decrease in engine failures. In 1982, 6 percent (11/174) of the engines failed while in 1983, the failure rate was 4 percent (2/53).

REFORGER actual miles per tank were:	*Miles*
1982	270
1983	465

Actual hours were:	*Hours*
1982	53.0
1983	92.5

ENGINE PRODUCTION PROBLEMS

Senator LEVIN. There also was a concern about engine production problems. Those production problems have been solved, haven't they, and the contractor is able to produce enough good quality engines to support the annual production rate Congress approved of 840 tanks, correct?

General WICKHAM. Correct. Production problems concerning the engine have been solved, and the contractor has recovered to the contract schedule. Producing to the contract has enabled the tank plants to maintain a lead time for engines to tank production in consonance with the tank contractor's needs.

Senator LEVIN. The Army is no longer required to borrow engines from already built tanks to keep the production line moving, correct, and there are no tanks already produced which are being stored without engines because the contractor is not meeting the higher production schedules?

General WICKHAM. Correct on both counts. The last tank being stored without an engine was returned to production in September 1983. It is not anticipated that future tanks will be stored without engines since engine deliveries to the tank have been maintained sufficiently ahead of tank production.

Senator LEVIN. So powertrain durability and engine production problems are no longer reasons why the Army should not or could not produce 840 M1s annually, is that not so?

General WICKHAM. That is correct. Engine production problems have not been experienced in the past year and the powertrain durability testing has been satisfactorily completed

SECOND SOURCE FOR ENGINE PRODUCTION

Senator LEVIN. There is an issue of whether the tank engine should be second sourced. Regardless of whether one thinks second sourcing is a good idea or not, that issue is unconnected with whether the Army can produce 840 tanks each year, is that so?

General WICKHAM. That is correct.

M1 TANK PRODUCTION

Senator LEVIN. M1 production actually is becoming more efficient and better. Production hours per tank have dropped dramatically, and quality of each tank has risen, is that not so? Please provide details for the record.

General WICKHAM. M1 tank production has improved significantly in efficiency. Production hours per unit have been reduced from 9,402 in April 1982 to 5,758 in January 1984, a reduction per unit of 3,644 hours. The quality of each tank produced has risen, as evidenced by a 52 percent decrease, over the past 12 months, in the number of defects Government inspectors wrote up at final test and accept stations at the Lima and Detroit tank plants.

COMBAT READINESS DEFICIENCIES

Senator LEVIN. Please provide for the record the details as to how much additional funding would be needed in FY 85 to remove or significantly reduce these shortages in each of the categories listed in my opening statement.

Senator LEVIN. Now let's look at the rest of the Army's budget outlined in the Joint Posture Statement submitted by Secretary Marsh and the Chief of Staff, General Wickham. It is replete with references to the Army's combat readiness shortfalls:

Shortfalls in ability to mobilize enough skilled manpower;

Reserve components that fail desired readiness standards, especially in the combat service support forces;

Critically low war reserve stocks to replace expected combat losses especially ammunition;

Insufficient chemical warfare decontamination equipment;

Shortages of experienced NCOs in the combat and intelligence troops;

Serious shortfalls in the Logistics-Over-The Shore equipment delivery capabilities so important to our Rapid Deployment Forces;

A depot maintenance backlog, even though this Administration pledged two years ago to reduce such backlogs to zero at that time;

Major shortages for supporting systems and equipment, including battlefield recovery, ammunition handling and distribution, and petroleum distribution.

In each category, how does the fiscal year '85 budget improve this situation.

Are there sufficient funds in the fiscal year '85–89 program to eliminate each problem?

If not, by when does the Army expect to do so, given current funding levels programmed as expected?

General WICKHAM. I will address each of your questions individually.

Mobilization of skilled manpower.—The primary sources of individual reserve pretrained manpower available to the army are found in the Individual Ready Reserve (IRR) and the Individual Mobilization Augmentation (IMA) Program. The acknowledged shortfall in these pretrained manpower sources will be somewhat reduced through the following initiatives.

FP 84 Authorization Act authorized the services to increase the Military Service Obligation (MSO) from six to not more than eight years.

FY 84 Authorization Act authorized an IRR reenlistment bonus.

The Secretary of the Army has authorized a 2-year IRR obligation to be added to each Active Component and Army Reserve reenlistment contract. This will not apply to those individuals who will reach 20 years of qualifying service on that contract.

The FY85 budget continues these initiatives by requesting $65.2 M for mobilization training for the IRR and $22.2 M for training the IMA personnel; $9.8 M is in the OSD budget to fund the IRR reenlistment bonus. While these initiatives will reduce the personnel shortfall, the funds requested will not eliminate the problem.

Reserve Component Readiness.—The FY 1985 budget is designed to continue to improve Reserve Component readiness through a number of diversified programs. The trends in personnel readiness should continue upward with increased funding for Reserve Component recruiting ($13 million for the ARNG, and $6.8 million for the USAR in FY 1985 constant dollars). Active Guard/Reserve strength (AGR), which includes the Full Time Manning Program, is projected to increase 10,000 and 6,000 respectively while military technicians are scheduled to remain at FY 1984 levels. The FY 1985 budget provides for an increase in personnel strengths of 20,300 in the USAR and 14,200 in the ARNG. During FY85, more than 10,000 items (approximate cost of 1.4 billion dollars) will be distributed to Reserve Component units. This is made up of prior year new procurements and other distribution. Included in these new equipment distributions are 300+ tanks, 400+ Infantry track vehicles, and 8,000+ trucks as well as numerous items that have been displaced by modernization equipment in higher priority units. Training readiness continues its positive trends in FY 1985. Minimum essential equipment to permit training at the unit level throughout the RC is being addressed in the FY 1985 budget. Two of the more significant improvements in the area of training are increased use of new equipment training teams and increased RC participation in National Training Centers (NTC) rotations. While FY's 1983 and 1984 permitted only one RC battalion to participate in NTC exercises, five will participate in FY 1985.

In summary, the FY 1985 Budget addresses the Reserve Components within established priorities as part of the total force. The most significant readiness shortfall, equipment shortages, is supported, to the extent possible, through the FY 1985 procurement request for the total Army. The ARNG and USAR will both experience increases in Enlistment Bonuses, Training Funds, and Organizational Clothing and Equipment. Both the National Guard and the USAR are projected to increase Operation and Maintenance Funding in the FY 1985 budget (FY 1984 levels were $1.187 billion and $692 million respectively while FY 1985 levels of $1.405 billion and $715 million respectively have been submitted in the FY 1985 budget). The increases requested in FY 1985 wil continue to improve the capabilities of our total force; however, those increases will not eliminate all of our readiness shortfalls.

War Reserve Stocks.—The FY1985 request increases war reserve stocks of ammunition, secondary, and major items in all theaters. The FY 1985 request and projected future requests increase war reserve stocks in balance with other Army requirements. Combat sustainability will continue to improve over the long term.

Chemical Warfare Decontamination Equipment.—While the Army has 90% of authorized power driven decontamination (M12A1, 500 gal.) equipment, the capability of the M12A1 is quite limited. New unit level equipment under development will overcome current deficiencies. Procurement of the lightweight decon apparatus (XM17) for battalions and NBC companies in light divisions is scheduled to start later this fiscal year (FY84). The diesel powered, skid mounted, decon apparatus (XM18) for NBC companies in heavy divisions is targeted for type classification in FY86 and funds are programmed for initial procurement in FY87. (The M13 decon apparatus man-portable, designed for limited decon of vehicles, is currently in procurement and is scheduled for initial fielding in FY 85). Current FY 85–89 procurement funding fills about 50% of the requirement for initial issue and thirty days war reserves.

Experienced NCOs.—The FY 1985 retention incentives, as identified in the FY 1985 President's Budget, are sufficient to sustain our combat arms NCO manning and correct the intelligence skill shortfall. Current retention and recruiting resource programming for FY 1986 and beyond is being reviewed to ensure our force alignment can be sustained. While funds requested for FY 1985 are sufficient, the FY 1984 reenlistment bonus appropriation was insufficient and additional funding is needed.

Logistics Over the Shore.—The FY85 budget provides additional funds for the upgrading and modernization of the Army's watercraft fleet. Major purchases in the FY85 budget include the second of four Logistics Support Vessels (LSVs) which provide for intra-coastal movement of general cargo/vehicles (2000 ST) or 11,000 barrels of bulk liquid. Funds are also programed for the procurement of four Landing Craft Utility (LCU) to fill current Army shortages. The beach interface capability is provided by two RO/RO discharge platforms and three floating causeways that are in the FY85 budget.

Depot Maintenance.—The FY85 Army O&M appropriation, as included in the President's budget request, provides for total depot maintenance funding of $2.271 billion. This represents an increase of $414 million dollars over the depot maintenance funding of FY84. As a result, though not fully funded, the depot maintenance program shows substantial improvement in both materiel maintenance and maintenance support activities. The unfinanced requirement for maintenance support activities decreases from $370 million in FY84 to $269 million in FY85. The decision to continue a manageable unfinanced requirement was made consciously by the Army in light of overall funding constraints. The Army accepts the potential short term risks in readiness that this funding level causes, in order to achieve the long-term readiness benefits of modernization.

Supporting Systems and Equipment.—The Army does have significant shortages of supporting systems and equipment. New equipment is required to satisfy total requirements and to replace older items as they are washed out of the inventory. The FY85 budget and the program through FY89 both contain funding for the procurement of new equipment. These funds will help offset some of the current shortfall, but the total requirement will still not be satisfied. The Army plans for the continued procurement of ammunition handling equipment, battlefield recovery, and petroleum distribution equipment in an effort to satisfy all requirements, but the realities of scarce resources, competing requirements, and changing priorities prevent us from providing a date when all requirements will be met.

Senator LEVIN. Other known Army readiness shortfalls are:

Not even enough individual clothing and equipment to outfit the required number of recruits upon mobilization, and probably not enough money in the fiscal year '85–86 defense program to buy enough;

A $1.6 billion backlog in facilities maintenance and repair, with no reduction to manageable levels until end of fiscal year '89;

Possible reduction in ammunition procurement rates in fiscal year '85, despite ammunition shortfalls;

Major shortages in Reserve/National Guard equipment, even at end of fiscal year '85–89 program;

A $1.25 billion set of deficiencies in laidaway ammunition production base facilities and equipment, according to GAO, with only about $150 million in the Army's fiscal year '86–'90 plans to begin addressing it.

In each category, how does the fiscal year '85 budget improve this situation?

Are there sufficient funds in the fiscal year '85–'89 program to eliminate each problem?

If not, by when does the Army expect to do so, given current funding levels programmed as expected?

General WICKHAM. I will address each of your questions individually.

Individual Clothing and Equipment.—The program objective is 223,000 sets of individual clothing and equipment to outfit recruits upon mobilization. This is the maximum allowed by law. The Army purchased 50 K sets to date and plans approximately 20 K sets for each year of the POM.

Backlog in Facilities Maintenance and Repair.—The Army remains committed to reducing the backlog of maintenance and repair (BMAR). While the Army has not been able to apply funds to continue the rate of progress enjoyed in Fiscal Years 1982 and 1983, the backlog is programed to continue its decline throughout the next five years, meeting the Congressional containment level during FY 1989.

Ammunition Procurement.—The Army is examining ammunition rates for its European and Korea scenarios. The rate studies are still being conducted and were not entered in the FY 85 budget request for ammunition. It is too early to predict what effect these studies will have on ammunition rates.

The FY 85 ammunition budget, as submitted to Congress, reflects an increase of $513.9 million over the FY 1984 appropriation program. This results in a 26 percent increase in funding from FY 1984 to FY 1985. The FY 85 ammunition budget provides for (a) additional funds for training ammunition (b) increases war reserve stocks (c) funds various smart munitions, and (d) provides funds in support of modernization, expansion, and maintenance of the production base.

Reserve Component Equipment.—Perhaps the most critical problem affecting Army Readiness continues to be shortages of equipment to fill the Army's force structure. These shortages continue to be particularly acute in those units identified as late deployers which are most prominent in the Reserve Components. In order to meet the equipment needs of the total force, the Army has maintained a policy of first equipping those units designated as first to fight. By necessity, this policy precludes the filling of lower priority units in as timely a manner as the Army would like. The Army equipment shortage problem is long-standing and cannot be solved overnight. [Deleted.] These shortages do not include $682 million that Congress cut from the OPA account in the FY 1984 budget.

Continued congressional support is necessary to solve Army equipment shortages.

Tactical Vehicles.—Given current funding levels, the Army cannot expect to eliminate the shortage of tactical vehicles until well into the 1990's. The shortage to current major tactical vehicle programs alone exceeds 119,000. The FY 85 budget reduces these major tactical vehicle program shortages from 119,000 to 99.000. A shortage of 90,000 vehicles will remain in these programs by the end of FDP89.

Laidaway Ammunition Production Base Facilities.—The fiscal year 1985 request contains funds to support maintenance of the existing inactive ammunition production base. The fiscal year 1985 ammunition production base program does not contain any request for funds to eliminate the $1.3 billion deficiencies cited by the General Accounting Office in February 1983. The Army is examining a minimum level funding to address the GAO deficiencies, but must do so within the context of other Army priorities.

In summary, I would like to emphasize that within funding levels given to the Army we have made a judicious and sound allocation of resources to achieve balance with and between programs.

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

IMPROVED WEAPONS TESTING

Senator BINGAMAN. Last October 11, Under Secretary Ambrose sent a memo to several Army Commands expressing concern about the emphasis the Army was placing on theoretical analyses of reliability and maintainability of new Army systems as opposed to actual field testing of these systems. He stated: "The departure of actual experience on Patriot and Pershing and similar systems calls into question the validity and utility of this elaborate, expensive methodology" and went on to say "equally invariably, this program turns out to be more costly (when all costs are taken into account) than a more thorough testing program with less reliance on analysis would have been."

Mr. Ambrose asked that this subject be thoroughly examined with the objective of "rebalancing the relative use of analysis and testing to bring the end result substantially more in line with the real world experience."

Could you tell me what follow-up there has been to Mr. Ambrose's memo?

Secretary MARSH. A review has been initiated of the policies and procedures in management of weapons systems which treat the methodology for evaluating and reporting on reliability and maintainability specifications, test plans, test evaluations, and evaluation of fielded systems. In addition, there is an ongoing intensive review of these matters pertaining to Patriot, in preparation for the forthcoming evaluations prior to fielding.

Senator BINGAMAN. How do you plan to strengthen the Army's developmental and operational testing program?

Secretary MARSH. We have programs oriented to the needs of the two test communities.

On the DT side, we have an Improvement and Modernization effort underway to upgrade our major ranges and test facilities such as White Sands Missile Range, NM, and Aberdeen Proving Ground, MD.

On the OT side, we are improving the realism of our testing by developing look alike simulators and by upgrading our ability to measure and record operational parameters, conditions and effects in real time on the simulated battlefield.

PATRIOT

Senator Bingaman. One of my constituents, who has been involved in the testing of the Patriot missile at White Sands Missile Range and who is a strong proponent of systems, has written expressing concern that "training of troops involved in operational testing of Patriot is not adequate and that a very large majority of troops do not possess the necessary skills, or the interest and motivation to develop skills to operate a system such as Patriot."

He went on to say, "It would seem fundamental that in this modern age of high technology and sophisticated systems, the emphasis should be placed on increasing skill level commensurate with the technology available for modern weapons systems."

Can you tell me what is being done to train troops to operate and maintain Patriot and other sophisticated systems coming into Army inventory?

Do you agree with my constituent's analysis of the current situation?

If so, how can the situation be corrected?

Secretary Marsh. Patriot operational testing conducted this summer (fiscal year 1983) concluded that training was inadequate. The Army has conducted detailed reviews of the training. Programs have been revised and expended to incorporate lessons learned from the earlier operational testing. Initial evaluations by the Army indicate that the revised training programs that have been recently completed have raised the skill level performance to the required standards. An additional follow-on-evaluation operational test of the first Patriot battalion planned for deployment to Europe is scheduled for spring 1984. Only after successful completion of these tests will the Army proceed with deployment of Patriot to Europe. This process of training, testing and evaluating prior to deployment is being applied throughout the Army.

GUARD AND RESERVE FORCES

Senator Bingaman. Senator Warner has frequently mentioned the desirability of using our Guard and Reserve forces to the best advantage. As Hawk missiles are freed in the European theater, being replaced by Patriots, would it be a good idea to provide them to our Guard and Reserve forces, giving them a corps air defense mission?

Secretary Marsh. Current plans call for the activation of two Hawk Battalions in the Army National Guard. The assets for these battalions are from inactivating Hawk battalions in CONUS and Europe. The National Guard Battalions are [deleted] respectively. [Deleted.]

These National Guard Battalions will be given a mission of providing air defense in support of corps contingency missions.

DEPLOYMENT OF PERSHING II'S

Senator Bingaman. In reply to my question about the reason for procurement of 254 Pershing II's, when only 108 are slated for deployment in Europe, it was mentioned that some are being held for the possibiilty of deployment elsewhere. What are the current plans for such deployment, and if they are for deployment in a foreign country, have we consulted with the government there?

Secretary Marsh. The current Army plan calls for foreign deployment of Pershing II only to the Federal Republic of Germany. The German Government has been and will continue to be consulted on deployments of Pershing II. [Deleted.]

Chairman Tower. Gentlemen, thank you, very much. It has been a good session.

The hearing is adjourned.

[Whereupon, at 12:42 o'clock p.m., the committee was adjourned subject to the call of the Chair.]

A COMMITMENT TO EXCELLENCE

JOINT STATEMENT

BY

THE HONORABLE JOHN O. MARSH, JR.
SECRETARY OF THE ARMY

AND

GENERAL JOHN A. WICKHAM, JR.
CHIEF OF STAFF, UNITED STATES ARMY
DEPARTMENT OF THE ARMY

BEFORE

COMMITTEES AND SUBCOMMITTEES
OF THE
UNITED STATES SENATE
AND THE
HOUSE OF REPRESENTATIVES

SECOND SESSION, 98TH CONGRESS

THE POSTURE OF THE ARMY AND
DEPARTMENT OF THE ARMY BUDGET
ESTIMATES FOR FISCAL YEAR 1985

PREFACE

The 1985 Army Posture Statement provides a description of the Army of Excellence of today and a prescription for the Army of tomorrow.

The excellence that we are striving to achieve and maintain responds to the challenges of a turbulent, violence-prone world where only military strength and the will to use it can deter conflict or defend our national interests, if deterrence fails. An environment of strategic nuclear balance has markedly increased the importance of landpower to deterrence of war. Concommitantly, this places an increased burden of responsibility on the Army to provide forces capable of responding in the national interest across the spectrum of warfare.

Today's Army is stronger and better equipped to perform that mission than at any time in its recent history. The balanced force of Active, Reserve and civilian components provides the necessary resources to meet the wide range of contingencies for which we must prepare. Army members believe in the preeminence of their mission and daily make those sacrifices necessary to preserve the security of our Nation. In return, we must provide them sufficient means to continue their efforts and programs to build the Army of tomorrow.

We are at a critical juncture today. The progress that we have made in recent years reflects the support and cooperation of Congress. Continued support will be essential to meet the manning, training, modernization and logistics challenges of the future Army of Excellence.

SECTION I: INTRODUCTION - A Commitment to Excellence

> "Excellence is the standard by which we measure the Army's performance. Excellence is not accidental. It is the result of conscious, intelligent effort and dedicated leadership."
>
> - GENERAL HAROLD K. JOHNSON
> Chief of Staff, U. S. Army
> 1964-1968

AN ARMY DEPLOYED

Today's American soldiers serve proudly in more than 30 countries around the world and throughout the United States.

These deployed forces, backed by strong, ready Reserves in the United States, are the cornerstone of our deterrent posture. The presence of U.S. landpower overseas provides credibility to our commitment to defend friends and allies of the free world. At critical outposts, four divisions in Europe are indispensable in maintaining the longest period of peace in modern European history, while the division in Korea has provided the backbone of our deterrent effort in this war-threatened land. The logistics and support infrastructures in place to support these divisions in time of war convince our allies, and their enemies, that the United States has both the capability and will to fight, if necessary.

Beyond these major force deployments, U.S. Army personnel serve in security assistance programs designed to help U.S. allies and friendly na-

ACTIVE ARMY COMBAT UNITS

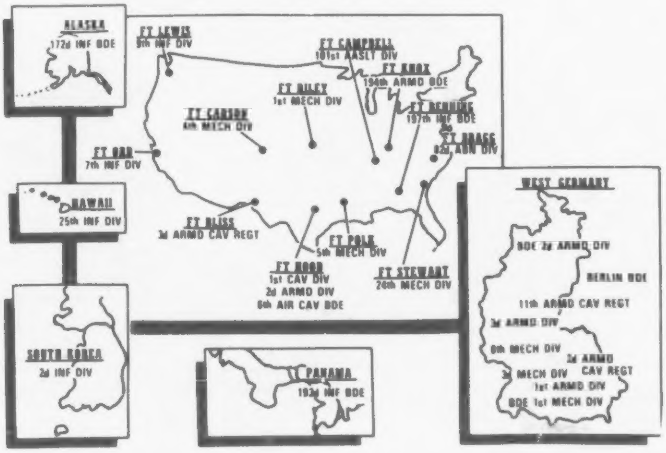

ALASKA
172d INF BDE
FT LEWIS
9th INF DIV
FT CAMPBELL
101st AASLT DIV
FT KNOX
194th ARMD BDE
FT RILEY
1st MECH DIV
FT CARSON
4th MECH DIV
FT BENNING
197th INF BDE
FT BRAGG
82d ABN DIV
FT ORD
7th INF DIV
HAWAII
25th INF DIV
FT BLISS
3d ARMD CAV REGT
FT POLK
5th MECH DIV
FT HOOD
1st CAV DIV
2d ARMD DIV
6th AIR CAV BDE
FT STEWART
24th MECH DIV
WEST GERMANY
BDE 2d ARMD DIV
BERLIN BDE
11th ARMD CAV REGT
3d ARMD DIV
8th MECH DIV
2d ARMD
CAV REGT
3d MECH DIV
1st ARMD DIV
BDE 1st MECH DIV
SOUTH KOREA
2d INF DIV
PANAMA
193d INF BDE

TABLE 1.1

tions worldwide. In the Sinai, one infantry battalion and a contingency of logistics personnel provide a significant portion of the Multinational Force and Observers (MFO) monitoring the peace between Egypt and Israel. U.S. Army countermortar radar crews are assisting the Marines in Lebanon. Our training teams in El Salvador, deployment and training exercises in Central America and Egypt, and 150 mobile training teams aound the world demonstrate our commitment to preserving peace.

In Grenada, under intense combat conditions, Army Rangers and Paratroopers responded rapidly and decisively to Presidential direction to restore order. Their performance underscores the importance of rapidly deployable land forces and illustrates the fighting spirit, high morale and outstanding state of training of today's Army.

THE IMPERATIVES OF U.S. NATIONAL STRATEGY

The worldwide deployment of U.S. soldiers today reflects both the realities of U.S. interests and the nature of the world environment in which these interests must be protected.

The first function of our government is to preserve the United States as a free nation with its fundamental values and institutions intact. Our broad historic, social, and economic interests require attention to myriad events, issues, and changing conditions virtually everywhere in the world.

U.S. security interests in Europe and the Far East, where miracles of economic growth occurred under the umbrella of U.S. protection, remain the cornerstones of our foreign policy. Our commitment to Israel has been reaffirmed by every President since President Truman. The Middle East, and particularly the Persian Gulf, has assumed greater importance since the 1970's because of free world reliance on its energy resources. Other strategic minerals located throughout Africa and elsewhere in the Third World lend geopolitical significance to those regions as well.

U.S. freedom of the seas and airways and access to space, foreign markets and critical resources will remain fundamental U.S. interests for the foreseeable future.

Protecting these worldwide interests will require recognition of continuing changes in the geostrategic environment and maintaining force capabilities to deter or, if necessary, defend them.

The strategic nuclear balance between the U.S. and the Soviet Union provides the military backdrop against which our security interests must be assessed. As this balance has shifted from an American strategic nuclear superiority, conventional forces have assumed a proportionately greater importance in deterring aggression by the Soviet Union. This deterrence calls for forces in place and prepared to fight and the ability to reinforce rapidly.

Because deployed land forces demonstrate an enduring commitment, they are particularly well suited for this deterrence mission. Accordingly, forward deployed divisions and logistics structures in Europe and Korea are key components of deterrence in those areas. The use of strategic air and sealift for rapid reinforcement and prepositioning of equipment and war reserve stocks for land forces further strengthens this deterrence.

In the Third World where the U.S. has significant long-term interests, the decades-long process of decolonization has seen the creation of more than 100 new states since the end of World War II. Tensions associated with the processes of economic and social development have often been reinforced by ideologically motivated subversion or outside intervention. During this period of cold war and detente between the superpowers, more than 300 conflicts have occurred elsewhere. Violence and insecurity have become endemic factors in the international environment. Currently some 40 wars or active insurgencies are ongoing.

In this environment, reassurance of allies must be recognized as an important element of our national strategy. Mobile training teams, advisory teams, Army attache elements, and joint exercises constitute important means to this end. Because land forces are the largest and most influential military elements in many developing states, our Army has a particularly significant role there. When exercises involve combat service support troops -- medics, construction engineers, general support maintenance -- they can provide tangible assistance in national development, too. By diminishing the need for our direct military involvement, it multiplies the effectiveness of our own forces. Moreover, security assistance helps to build local and regional self-confidence.

Army forces have never deployed alone. We are dependent on other services for transportation and other support. But it is also true that every deployment of aircraft, Naval task forces, or Marines reminds our adversaries that a small U.S. presence can be reinforced rapidly and successfully by sizeable land forces.

ROLE OF THE ARMY

The Army of the United States must provide a visible and credible capability to support the attainment of national interests, to reduce the probability of armed aggression against the United States, and should war occur, to win and terminate the conflict on terms favorable to the United States.

The Army must provide the nations's leadership with sound military advice and options appropriate to the level of hostilities across the full spectrum of conflict from counterterrorism through major conventional war to nuclear and chemical exchanges.

OVERVIEW OF ARMY CAPABILITIES

In large measure, the composition and capabilities of today's Army to respond to crises arise from the commitments of the past. Today's Army has been shaped by United States foreign and defense policy as well as by budgetary constraints.

Despite the magnitude of the Army's mission and the scope of the threat to our national security, the Army we've maintained since the mid-1970's is the smallest in 33 years. By way of comparison, the Active Army is the fifth largest in the world. This fact conveys our belief that the size of the Army, while important, is not paramount. Size alone cannot compensate for a guarantee of any Army's readiness to carry out its wartime mission.

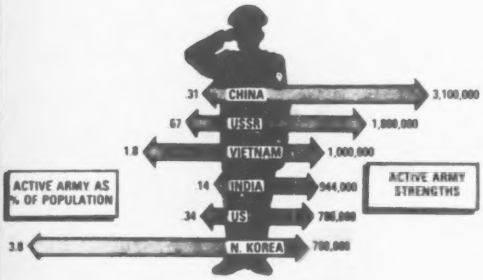


TABLE 1.2

Our deployed forces are backed by strategic reserves in the continental United States consisting of 10 Active and 9 Reserve Component divisions in a mix of infantry, armor, airborne, airmobile and mechanized infantry. Any part of this strategic force is prepared to move on short notice to any trouble spot in the world.

The Active Army is backed by over 683,000 trained and motivated soldiers in the Army National Guard and Army Reserve. Additionally, there is a growing Individual Ready Reserve force. These citizen-soldiers constitute a critical component of the Army's overall capability to fulfill its missions.

The Army's civilian workforce of nearly 400,000 employees constitutes a major component of the Total Army equation. Their special skills and expertise are essential to the achievement of an Army of Excellence.

Much of the progress over the past 3 years reflects the President's request for sufficient funds to achieve our transformation to a modern fighting force. This transformation includes addition of a 17th Active division, restructuring of existing Active light divisions, additions to the Army National Guard and Reserve to compensate for shortfalls in the Active Component force structure, extensive equipment modernization, and an increased ability to sustain conflict. The Army's leadership is dedicated to honoring our country's commitments by developing this Army of Excellence.

Just as today's Army is a force shaped by history, tomorrow's Army will be determined by today's events and decisions. The Army looks to the Nation, in particular its leadership, to provide the resources whereby it can accomplish its mission. The Nation looks to the Army to fulfill its responsibilities in support of national goals and interests. Properly supported, the Army can and will meet the challenge.

SECTION II: THREAT ANALYSIS - The Global Challenge

"The enemy never sleeps. (L'Ennemi ne s'endort.)"

- A French Proverb

THE SOVIET THREAT

The primary threat to U.S. security today is the Soviet Union. The Soviets are dedicated to a single goal, the attainment of world supremacy. To achieve this goal, they seek at least to diminish, and perhaps to nullify and supplant the influence of the United States and its allies. In the years ahead, the Soviet Union will continue to exploit and create new opportunities to establish communist dominated regimes around the world.

Changes in Soviet leadership have not altered Moscow's quest for its version of peace -- a world in which the Soviets possess unchallenged military power. Following Premier Brezhnev's death, his successor, Yuri Andropov, stated: "We well know that peace cannot be achieved by begging from the imperialists. It can be defended only by relying on the invincible might of the Soviet Armed Forces." Soviet foreign and domestic policies are focused on attainment of the Soviet version of peace. All other priorities are subordinated to the achievement of this fundamental goal.

Military strength is the foundation of Soviet national power and the key to the Soviet drive for world domination. The Soviets have built impressive air and naval forces and have thrust headlong into space exploration and research. Simultaneously, they have enhanced their ground forces by adding divisions and modernizing every aspect from air defense to armored forces to military engineering. This has been the most extensive modernization and military expansion anywhere in the world. Soviet ground forces include 191 active divisions, a force that dwarfs all western armies.

SOVIET GROUND FORCES

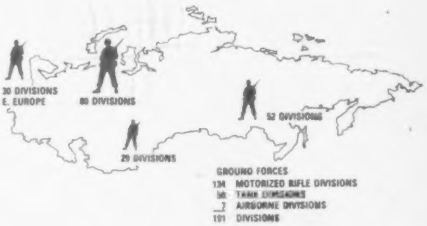


TABLE 2.1

SOVIET MILITARY GROWTH

The Soviet appreciation for the political utility of military might begins with Lenin himself. Emphasis on military modernization and growth is traceable in an almost unbroken line to the very birth of the Soviet state. In this context, it is not surprising that the Soviets continue to devote a large measure of their resources to the attainment of military supremacy. During the past three years, the Soviet Union has produced three times as many tanks and more than four times the number of other armored vehicles as the United States.

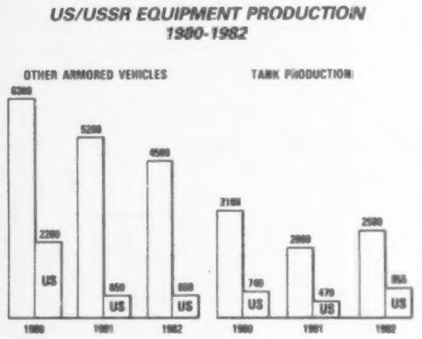


TABLE 2.2

As the chart below shows, the Soviet military investment program remains greater than ours and each year adds additional military assets to an inventory already much larger than our own.

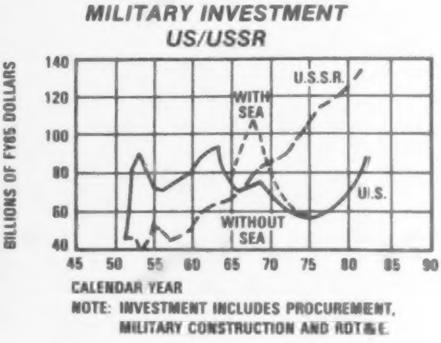


TABLE 2.3

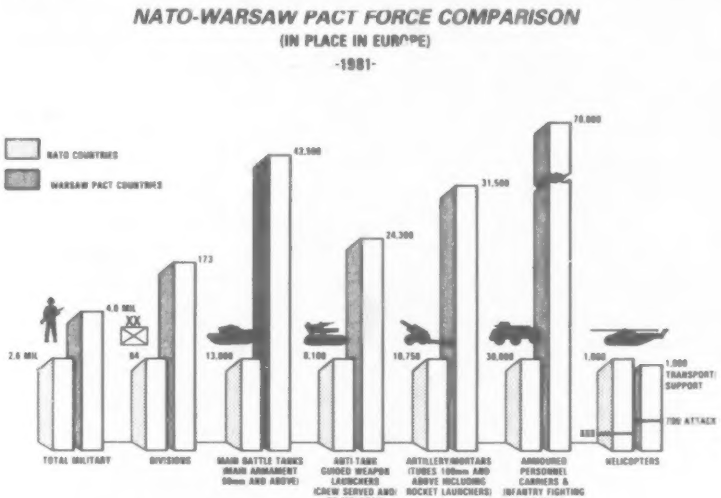
Over the past two years, the Soviets have fielded qualitatively improved attack helicopters, air defense systems, towed and self-propelled artillery systems, armored personnel carriers and tanks. American land power faces a large, modern, well-equipped enemy who has virtually more of everything, whose major systems at least equal ours in quality, and who continues to commit greater resources to its military programs than we do.

The Soviet Army is extensively trained to fight under chemical conditions as well as in a conventional environment. The Soviets have substantial stockpiles of chemical weapons and are capable of employing them effectively, as they have demonstrated in Afghanistan, Laos, and Kampuchea.

Improvements in Soviet chemical warfare capabilities have been paralleled by strategic and theater nuclear force capability improvements. The ICBM force continues to be modernized, replacing older systems with more accurate ones having a greater number of warheads. The SS-20 force continues to expand, placing the U.S. and its NATO allies at an ever greater disadvantage in theater-strategic systems. Nuclear-capable artillery systems are being introduced at lower levels of command. Despite equality or superiority in virtually every area of comparison, the Soviets continue to push forward with the development and fielding of new systems.

WARSAW PACT GROWTH

In addition to modernizing its own land forces, the Soviet Union is directing the modernization and restructuring of other Warsaw Pact forces. A NATO-Warsaw Pact comparison (Table 2.4) emphasizes the growth of the Warsaw Pact war machine and the magnitude of the threat to Western Europe.



NATO-WARSAW PACT FORCE COMPARISON
(IN PLACE IN EUROPE)
-1981-

NOTES: 1 WARSAW PACT DIVISIONS NORMALLY CONSIST OF FEWER PERSONNEL THAN MANY NATO DIVISIONS BUT CONTAIN MORE TANKS AND ARTILLERY, THEREBY OBTAINING SIMILAR COMBAT POWER.

2 FORCES IN PLACE IN NATO EUROPE. WARSAW PACT FORCES AS FAR EAST AS BUT EXCLUDING THE 3 WESTERN MILITARY DISTRICTS IN WESTERN RUSSIA (MOSCOW, VOLGA & URAL MILITARY DISTRICTS).

TABLE 2.4

SOVIET MILITARY ASSISTANCE

The Soviet Union consistently exports more military equipment to the Third World than any other country.

The Soviets and their East European allies account for well over half of the shipments to the Third World of several major types of weapons, including 65 percent of tanks, 60 percent of high-performance aircraft, and 59 percent of surface-to-air missiles. These military transfers provide the Soviets a valuable entry into many Third World nations and allow the Soviets to exploit these contacts for subversive activity.

Additionally, the Soviet Union actively equips and trains surrogate forces, dissidents and revolutionaries around the world. Through the use of arms supplies, security assistance teams, Communist Party organizations, proxy forces, and even Soviet regular forces, Moscow has become a major imperial power. Using both overt and covert means, the Soviets seek to expand their influence in key Third World regions while placing the security of the United States in jeopardy.

In Southeast Asia, massive Soviet support to Hanoi's military operations in Laos and Kampuchea has produced a significant benefit for the Soviets. The Vietnamese are highly dependent on Soviet military and civilian advisors and extensive materiel aid. In exchange for materiel support, Hanoi has granted the Soviets access to valuable air and naval facilities from which the Soviets oversee lines of communication and strategic choke points along the Asian littoral.

MAJOR SOVIET LAND POWER EQUIPMENT DELIVERED TO THE THIRD WORLD 1977-1982

	TOTAL	NEAR EAST AND SOUTH EAST	SUB-SAHARAN AFRICA	LATIN AMERICA	EAST ASIA AND PACIFIC
TANKS/SELF-PROPELLED GUNS	7,085	5,285	1,140	80	640
LIGHT ARMOR	8,560	6,500	1,500	175	385
ARTILLERY (100-MM AND OVER)	9,900	5,115	3,510	630	545
HELICOPTERS	910	620	125	35	130
SURFACE-TO-AIR MISSILES	11,680	9,495	1,575	435	175

TABLE 2.5

COMMUNISM IN THE CARIBBEAN BASIN

Using Cuba as a proxy, the Soviet Union exerts considerable influence in the Western Hemisphere. Soviet and Cuban activities have already resulted in the establishment of a hostile regime in Nicaragua and Communist-backed insurgencies in at least three other Latin American countries.

IDENTIFIED SOVIET MILITARY DELIVERIES TO CUBA

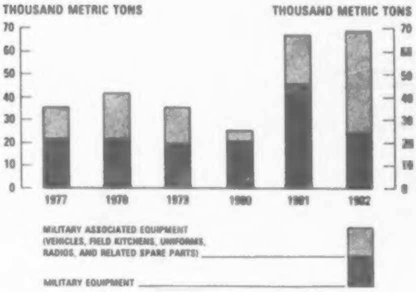


TABLE 2.6

The recent thwarting of a Cuban and Soviet attempt to establish a base in Grenada was a serious blow to communism in this hemisphere. In the long-term, however, it probably will not diminish Soviet and Cuban efforts to revolutionize the region.

It is clear that the Soviet Union recognizes Latin America, and particularly the Caribbean, as the soft underbelly of the United States. Soviet and Cuban efforts to increase their influence in Central and South America continue to threaten U.S. security and interests in this region.

THIRD WORLD INSTABILITY

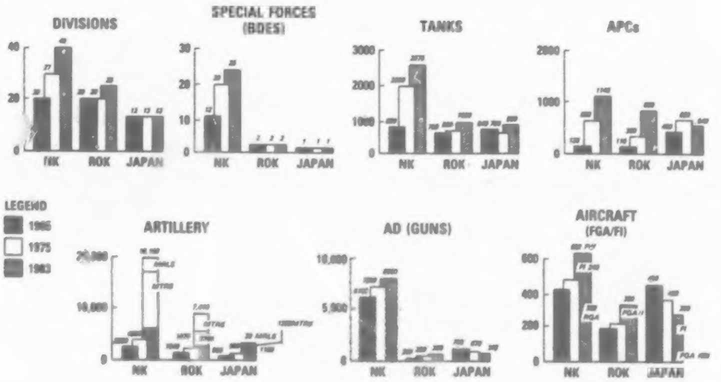
Compounding the Soviet threat is the long-term factor of Third World instability. Whether inspired by historical, economic, political or social factors, Third World conflicts provide prime opportunities for Soviet inroads.

Rapid economic modernization of Middle Eastern and Southwest Asian Islamic societies, coupled with the Arab-Israeli and Iran-Iraq conflicts, have provided the Soviets with an opportunity to exploit regional turmoil to shift the regional balance of U.S./Soviet power significantly in their favor. The implications of Soviet success in such adventure are clear and serious. Not only would American security interests and the American economy be adversely affected, but Western Europe and Japan, to whom Middle East oil is critical, could be blackmailed.

African nations, many of which recently emerged from colonialism, are also targets of Soviet intrusions of influence. Soviet influence, and that of its surrogates, currently are most evident in Angola, Ethiopia, and Mozambique, while Libya continues to be a major consumer of Soviet arms and a major exporter of radical Marxist philosophy and anti-Western terrorism. Although other areas of the world may be more critical to the vital interests of the United States than Africa, continued growth of the Soviet presence and influence in this mineral-rich continent must be considered potentially dangerous to the security of the United States and its allies.

KOREAN BUILDUP

In Korea, where United Nations forces fought only 30 years ago, a potential crisis area still exists. The North Koreans are continuously improving both their war-fighting capability and their sustaining base. They remain a significant threat to the stability of the area. A comparison of Northeast Asian military trends (see Table 2.7) highlights the potential destabilizing effect of North Korea's military growth.



TRENDS IN NE ASIA–1965-1983
NORTH KOREA-ROK-JAPAN

TABLE 2.7

LOW INTENSITY CONFLICT

Around the globe, and increasingly outside the NATO area, the U.S. and its friends and allies face potential conflicts. Most of these are likely to be of low intensity, yet even these can be as dangerous to the vital interests of the United States as mid-intensity warfare or superpower confrontation. Increased Soviet aggressiveness and improved Soviet power projection capabilities increase the likelihood of conflict escalation as local conflicts spill over into regional alignments. Conflicts which affect America's vital interests may erupt in this hemisphere or at a variety of locations around the globe.

SPECTRUM OF CONFLICT

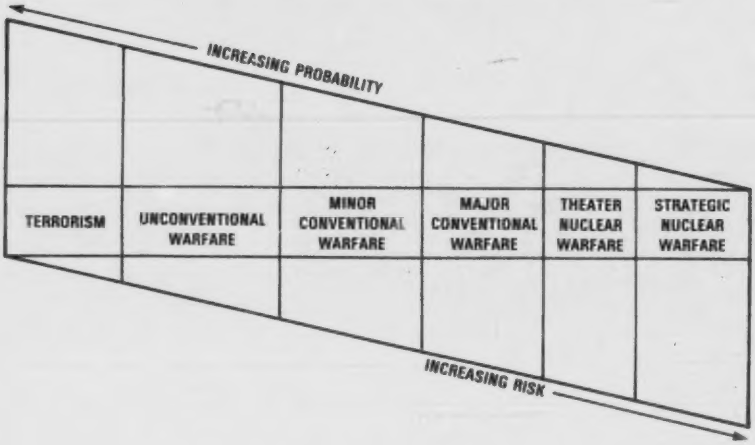

INCREASING PROBABILITY
TERRORISM
UNCONVENTIONAL WARFARE
MINOR CONVENTIONAL WARFARE
MAJOR CONVENTIONAL WARFARE
THEATER NUCLEAR WARFARE
STRATEGIC NUCLEAR WARFARE
INCREASING RISK

TABLE 2.8

SOVIET WEAKNESSES AND VULNERABILITIES

Even though Soviet military capabilities continue to improve and expand, they must do so within certain constraints. Moreover, the simultaneous aggravation of a number of troublesome prevailing conditions ultimately could pose a significant obstacle to the successful execution of Soviet war plans. Among the most prominent long-term weaknesses which could affect Soviet military decisions are: the worsening state of the Soviet economy - the result of a lethargic work force, inefficiency at all levels, increasing industrial costs, and critical technology gaps; the questionable reliability of some Warsaw Pact allies; discipline and morale among national minorities; and demographic trends which project increasing numbers of non-Russians in the USSR population.

Among the more immediate Soviet battlefield vulnerabilities which the West might exploit are: the need for improved leadership at the lower levels, the criticality to Soviet battlefield success of operational timing, and various equipment shortcomings. While we could not hope to redress the imbalance between Soviet and U.S. fielded systems purely through attacking Soviet weaknesses and vulnerabilities, a Western strategy that combines that approach with efforts to counter Soviet military power in the field will increase our chances for success.

SUMMARY

At a time when the U.S. has relatively fewer resources and far greater commitments, we are confronted by a relentless adversary bent on global superiority, projecting power across the entire spectrum of conflict from possible general nuclear war through local conflicts and insurgencies to terrorism.

Despite troublesome conditions both at home and abroad and recent major leadership changes, the Soviet Union shows no signs of reduced commitment to its expansionist policies. On the contrary, there continue to be signs of increasing Soviet assertiveness, particularly in response to U.S. intermediate-range nuclear force deployments in Europe. Such actions as the more direct Soviet involvement in the Arab-Israeli conflict reflect these policies.

SECTION III: TODAY'S ARMY - Striving for Excellence

> "With regard to excellence, it is not enough to know it or to understand its application, we must try to have it and be prepared to use it."
>
> - ARISTOTLE

The Army leadership of the past ten years has made difficult but sound decisions guiding the Army's transition from a hollow force to an Army of Excellence. Today's Army is beginning to bear the fruit of these earlier decisions. While considerable progress has been made, we need continued congressional support to assure our programs sustain our record of achievement. It takes prolonged and concentrated effort to achieve the excellence we seek.

A guiding principle for today's Army is that excellence in people, equipment, and training can more than compensate for disadvantages in size and geography. We can neither expect nor attempt to match the Soviets soldier for soldier or tank for tank.

An important benchmark for judging the degree of excellence the Army is achieving is how efficiently and economically we are using the resources provided. Here the Army can be proud of its management improvement record. The Army pledges to continue to pursue this aggressive and innovative management improvement program in the years to come.

While the Army is justifiably proud of its accomplishments, it is also aware of its deficiencies and is mindful of the challenges to come. The remainder of this section discusses the achievements and shortcomings of the past year, emphasizing those areas in which continued congressional support is required.

Among the major achievements in 1983 were:

- Significant improvements in combat readiness in Active and Reserve Component (RC) units.

- Activation of new combat and combat support units, increasing Army fighting and sustaining power, while maintaining a stable end strength.

- Improvement in the quality of servicemen and women entering the Army, having a significantly beneficial effect on professionalism, discipline and readiness.

- Successes in recruiting and reenlistment, solidifying the success of the volunteer army.

- Advances in the development of tactical doctrine which exploit the potential inherent in modern weaponry.

- Development and fielding of top quality weapons and support systems.

- Notable improvements in the quantity and quality of resources available for Reserve Component forces and in the working relationship between the Active and Reserve Components.

- Over $1.4 billion in efficiencies and economies during the FY 81-83 period with a $10.1 billion follow-on effect for the FY 84-89 period.

Among the shortcomings that cause the Army most concern are the following:

- Shortfalls exist in our ability to mobilize quickly adequate manpower with specialized skills.

- Some Reserve Component forces have not met the desired standards of readiness, especially combat service support units.

- Strategic lift is inadequate to deploy Army forces fast enough to meet the expected wartime needs.

- Prepositioned unit sets of equipment are inadequate to accommodate follow-on forces. War reserve stocks to replace anticipated combat losses must be increased.

- Additional highly mobile, light infantry forces and special operations forces are needed.

- Chemical deterrence is inadequate; the chemical retaliatory capability is weak; decontamination capability is insufficient.

Each of these points will be discussed in greater detail in the following pages.

MANNING THE ARMY

> "...We thank God that you had the foresight and courage to send in the Rangers. While we waited for the Rangers to evacuate our campus...we experienced many chilling and sad moments. The most upsetting of these was the sight of an American helicopter being shot down by enemy fire. There were tears in our eyes as we scanned the ocean water for the sight of any survivors. We knew then how much our lives meant to the brave men fighting for our safety."
>
> - Excerpt from a letter to President Reagan from medical students rescued in Grenada.

PEOPLE ARE THE ARMY

Above all else, in peace and in war, people are the Army. The Army's proud story is told by the unselfish deeds of its men and women. In the final analysis, the Army's performance is a function of the efforts of its basic element: the soldier.

The strength of the Army depends on the quality of our soldiers and on how well we lead them. We have worked hard to recruit our very best citizenry and to provide the professional environment that would convince the best to stay in the Army. The recruiting and retention statistics and the professional performance of our small units whether fighting in Grenada, training friends in Honduras, or participating in large field exercises with our major allies attest to our considerable success.

Without constant attention to the factors that determine success in maintaining a hard-hitting Army, we will lose our momentum. It is critical that we keep compensation competitive with the civilian sector. We must have an adequate set of special incentives to help us recruit exceptional quality soldiers for particular needs. Finally, we cannot slacken our programs to improve the living and working environment. Old, unattractive barracks; congested office space; and drafty maintenance areas discourage professionals from continuing to serve.

Throughout our history, the American soldier has been the ultimate source of our strength. Today, we challenge each soldier and Army civilian to set personal goals which lead to excellence, and to pursue them with leadership, initiative, drive, and perseverance. The result: marginal performers become good, the good become better, and the better become excellent.

Last year the quality of soldiers coming into the Army was better than ever. In turn, these gains in first-term quality allowed us to offer reenlistment to the most competent, professional soldiers with demonstrated leadership potential.

The New Manning System, with its COHORT units and regimental structure seeks to improve stability and cohesion in units. We have developed a plan to improve family life and to focus on better facilities. We have also strengthened our campaign against alcohol and substance abusers. All these efforts support our belief that nothing is more important to the Army than its soldiers.

RECRUITING AND RETENTION

In all we do, we need to think of the Total Army -- that is, the Active Component (AC), the Army National Guard (ARNG), the Army Reserve (USAR) and Army civilians. With the consistent support we have had from the Congress, current recruiting and retention trends are encouraging.

1983 RECRUITING ACCOMPLISHMENTS
ACTIVE COMPONENT

	OBJECTIVE	ACTUAL	PERCENT
Non Prior Service			
Males	116,000	116,215	100.2
Females	16,400	16,516	100.7
Prior Service Personnel	12,100	12,606	104.2
Total	144,500	145,337	100.6

TABLE 3.1

1983 RECRUITING ACCOMPLISHMENTS
RESERVE COMPONENTS

	OBJECTIVE	ACTUAL	PERCENT
USAR	64,350	65,392	101.6
ARNG	89,000	89,103	100.1

TABLE 3.2

Strength Levels. Since the end of the draft ten years ago, Congress has stabilized the Active Component strength at about 780,000. Active Component strength on 30 September 1983 was 779,643, and we expect to meet the authorized strength of 780,000 in fiscal year 84. The FY 85 budget request is for an Active Army end strength of 780,800.

Congress also prescribes the strength of the Reserve Components. The actual Selected Reserve strength of the Army Reserve on 30 September 1983 was 266,188. The FY 85 budget requests a strength of 298,447. Actual Selected Reserve strength for the Army National Guard on 30 September 1983 was 417,178 and is set for 433,000 in 1984. Our FY 85 budget, if approved, will support an ARNG strength of 447,283.

Recruiting. In 1983, the Total Army exceeded its enlisted recruiting objectives. Tables 3.1 and 3.2 show these accomplishments.

Quality Accessions. The Army seeks to recruit the greatest possible number of high school graduates. Increasing the number of high school diploma graduates (HSDG) the Army enlists each year will help to build a competency based force capable of handling our sophisticated equipment in the late 1980's.

While education is not the only consideration in building a competent force, a high school diploma is an excellent measure of an individual's retainability. Those who successfully complete high school tend to complete their enlistment as well. Also, high scoring young men and women more quickly grasp and retain the sophisticated training required on the Army's new weapons systems. Soldiers of this caliber tend to show a spirit of cooperation, respond well to good leadership, and promote good order and discipline.

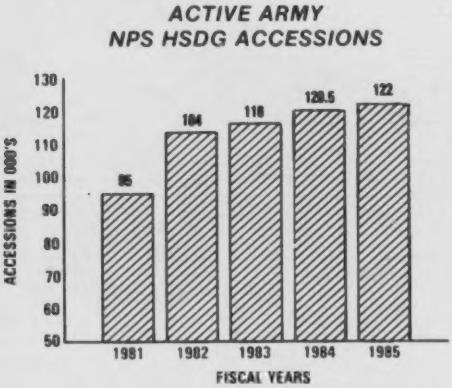


TABLE 3.3

FY 82 was one of the best recruiting years in history. The Army met its aggregate objectives and improved the number and proportion of new recruits who were high school graduates or scored average or above on the enlistment test. The Active Component enlisted 86 percent high school graduates, a 9.3 percent increase over 1981, and only 19.2 percent Test Category IV's, a 36.5 percent decrease from FY 81. Both the Reserve and National Guard achieved similar results.

FY 83 results indicate continued success. High school graduates enlisting in the Active Component increased to 88 percent. Test Category I-IIIA's represented 61.4 percent of all non-prior service (NPS) enlistments and Test Category IV's fell to 12 percent. The Army's College Fund and Bonus Program as well as the two-year enlistment option contributed to the qualitative improvements over the last three years, as did continued high unemployment, and an increase in the quality and quantity of major media advertising. However, as stated below, changes in these positive factors would be cause for concern because their relationship is critical.

Ultra VEAP (Army College Fund). To remain competitive in the quality recruiting market, the Army needs an enhanced educational incentive like the Army College Fund. Quality young people are the hardest to attract, and the Army must have an attractive educational incentive to continue momentum in the recruiting market.

Without it, the Army risks falling further behind the other services. This recruiting edge is also critical to the Army's force alignment efforts and to establish the quality manpower pool from which tomorrow's noncommissioned officer (NCO) leaders will be selected.

Under the Veteran's Educational Assistance Program (VEAP), soldiers' contributions up to $2,700 are matched by the Army 2:1. Any soldier, officer or enlisted, entering the Army after 1 January 1977 is eligible to participate.

The Army began testing "kickers" on 1 January 1979 to target higher-scoring high school graduates. Initial "kickers" were $2,000, $3,000, $4,000, and grew to $8,000 and $12,000 during FY 81. These have been the key to recruiting improvements in the quality high school graduate market.

We began to apply this Ultra VEAP (Army College Fund) nation-wide in FY 82. Combined with enlistment bonuses to attract higher quality enlistees to military service, the Army improved its non-prior service, high school graduate Test Category I-IIIA enlistees from 38,700 (FY 81) to 67,900 (FY 83), a 75.5 percent increase.

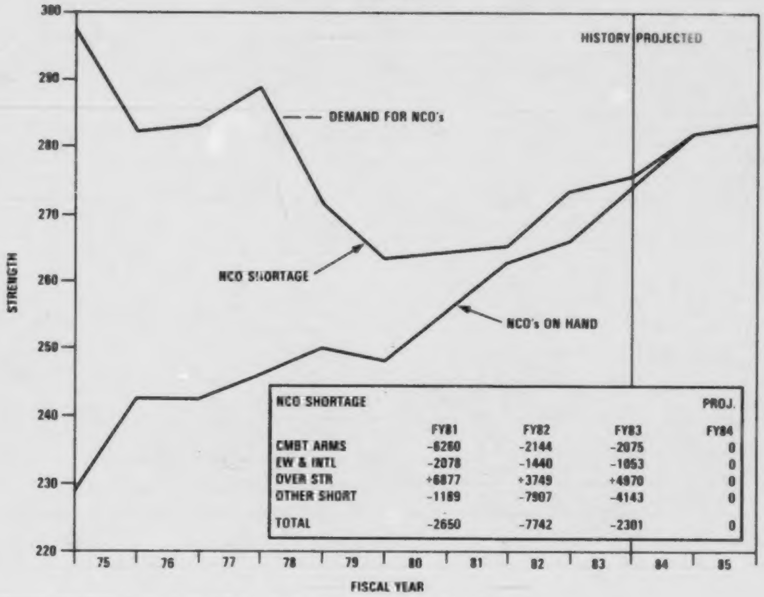
Bonuses. Enlistment Bonus, Selective Reenlistment Bonus, and the Selected Reserve Incentive Program were approved by Congress to help the Army man the force. As a direct result, sufficient numbers of soldiers are now enlisting. However, the quality mix must now be directed to high-tech jobs. Last year, for instance, combat arms numbers and quality objectives were met. But, communications, intelligence and maintenance quality targets were not achieved. Bonuses are a prime remedy.

Reenlistment. During FY 82 and FY 83, the Army succeeded in reenlisting a satisfactory number of top quality soldiers. As a result, we should achieve 100 percent fill in our top five enlisted grades by the end of FY 84. Some shortages still remain in combat arms and intelligence fields, but we anticipate most of these will also be overcome in FY 84. Table 3.4 depicts our progress in resolving NCO retention problems.

Continuation of an effective Selective Reenlistment Bonus program is essential for us to reenlist not only sufficient numbers, but to achieve and maintain the right grade and skill balance. Experience tells us that we can balance skills as long as bonuses are available, but that many skill areas will develop shortages if the bonus level is reduced.

In terms of quality, the abundance of personnel in the reenlistment pool has permitted us to improve the force through increasingly tight reenlistment criteria. However, the improving economy and a smaller retention pool in FY 84 and beyond direct our future efforts toward improving the quality of soldiers currently in service.

TOP 5 ENLISTED STRENGTH
E5-E9



NCO SHORTAGE				PROJ.
	FY81	FY82	FY83	FY84
CMBT ARMS	-6260	-2144	-2075	0
EW & INTL	-2078	-1440	-1053	0
OVER STR	+6877	+3749	+4970	0
OTHER SHORT	-1189	-7907	-4143	0
TOTAL	-2650	-7742	-2301	0

TABLE 3.4

Successful reenlistment of high-quality soldiers will then depend on a stronger retention effort, an adequate reenlistment bonus program, increased in-service educational and self-improvement opportunities, and other key factors such as a competitive total compensation package.

FY 83 reenlistment results for the Active and Reserve Components were very strong overall and are highlighted in Table 3.5.

1983 REENLISTMENTS
ACTIVE COMPONENT

	OBJECTIVE	ACTUAL	PERCENT
FIRST TERM	31,400	30,474	97.1
MID TERM	30,300	28,621	94.5
CAREER	23,100	22,830	98.8
TOTAL	84,800	81,925	96.6
RESERVE COMPONENTS			
FIRST TERM			
USAR	8,064	6,260	78
ARNG	10,824	11,815	109
CAREER			
USAR	20,648	24,887	121
ARNG	60,891	61,457	101
TOTAL	100,427	104,419	104

TABLE 3.5

The Army plans to keep up this momentum through careful targeting of enlistment incentives, recruiting resources, and management initiatives. Our FY 84 goals are to enlist at least 90 percent high school graduates, 65 percent from Test Category I-IIIA, and no more than 10 percent from Test Category IV.

These are ambitious objectives in the face of a strengthening economy and decreasing unemployment, but the Army believes their achievement is considered essential to the successful manning of new equipment and execution of the AirLand Battle. To continue the flow of bright, well-educated and motivated soldiers, we need strong congressional support to maintain competitive pay and continue proven incentives like the Army College Fund and bonus programs.

Reserve Components. The Army's Reserve Components' goal is to man Reserve and Guard units at 90 percent of their wartime levels by FY 89. The Army's FY 84 Selected Reserve authorization and funding are for 711,000 soldiers, an increase of nearly 28,000 above the FY 83 Reserve Component manning level. This is an ambitious undertaking.

The Reserve Component Educational Assistance Program was particularly successful in recruiting Guard and Reserve soldiers interested in a college education. Nearly 11,300 enlisted under this program which awards up to $4,000 in educational assistance in exchange for a 6-year service commitment. More than 28 States offered low-cost educational loans and other educational benefits to attract recruits for the Army National Guard, but only Hawaii offered similar benefits to the U.S. Army Reserve. Many States also provide tax-free Guard income, unemployment benefits, and free license plates to Guard personnel. Efforts to extend these benefits are underway.

PERSONNEL READINESS

Combat units at the proper strength, soldiers qualified in the right skills, and the correct distribution of experience and leadership are key to an Army of Excellence.

To date, adequate recruiting and reenlistment funding from Congress has fostered substantial progress in filling the hollow Army of the late 70's. In October 1980, only 77 percent of the 1,100 Army National Guard units were at their authorized strength levels (see Table 3.6). This situation improved steadily and by April 1983, 88 percent were at authorized levels even though the total number of Guard units had increased by 79.

PERSONNEL READINESS
ARMY NATIONAL GUARD

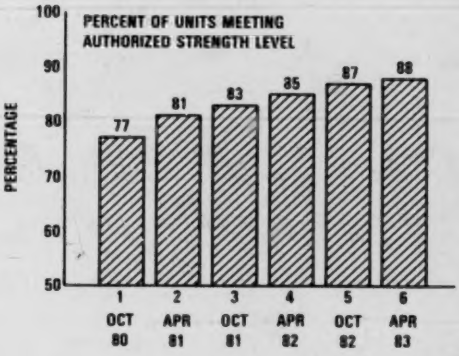


TABLE 3.6

The Reserve made similar progress. In October 1980, just 56 percent of USAR units met their authorized strength levels (see Table 3.7). This had increased to 75 percent by April 1983. The number of USAR units grew by 42 between April 1982 and April 1983 causing the slight decline from 80 percent to 75 percent.

PERSONNEL READINESS
US ARMY RESERVE

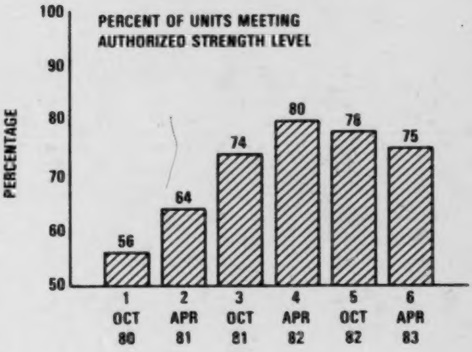


TABLE 3.7

The result for both the Active and Reserve Components has been a reduction in units rated not combat ready due to personnel factors. For major combat units - divisions, brigades, and armored cavalry regiments - 35 units (about one of every two) were not combat ready for personnel reasons in October 1980 (see Table 3.7). By April 1983, that number had been reduced to 18 major combat units, or 25 percent.

PERSONNEL READINESS MAJOR COMBAT UNITS

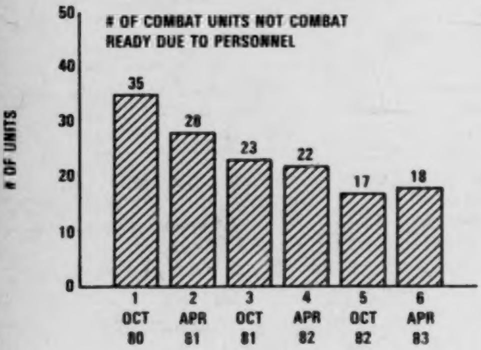


TABLE 3.8

Women in the Army. The number of women in the Army has increased dramatically in the last two decades. Since FY 60, the female strength has grown from 4,200 officers and 8,300 enlisted soldiers to about 9,500 officers and 66,000 enlisted. Reserve Component figures show the same trend.

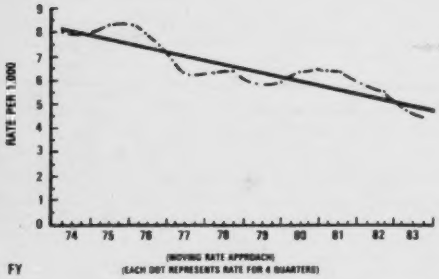
Our objective with women soldiers is to provide them with the maximum opportunity to succeed. Toward that end, our policy has been brought in line with Navy and Air Force statutes which exclude women from serving on combatant ships and planes, reflecting the will of the Congress.

To define where women should serve on the battlefield, the Army conducted a study in FY 83 leading to the development of a system which identified the risk of direct combat for every position in the Army. Called the Direct Combat Probability Coding Policy, this system excludes women from jobs routinely engaged in direct combat. These positions are located in front of the combat brigade's rear boundary where we expect the most frequent and violent combat. However, enlisted women may serve in 86 percent of all specialties, that is, in 302 of 351 military occupational specialties.

Within this framework, Army policy is to provide women with the maximum number of meaningful career opportunities. Toward that goal, we project steady and healthy end strength growth to approximately 12,000 officers and 70,000 enlisted women by the end of FY 87.

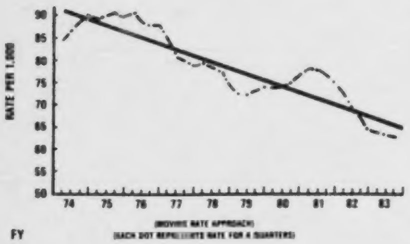
Stronger Discipline. A high state of discipline and morale ensures stable performance under stress, and this leads to high performance in combat. A disciplined Army can withstand the shock of battle without faltering.

Trends for key discipline indicators since FY 74 are very encouraging. All four major crime categories displayed a downward trend.



VIOLENT CRIME

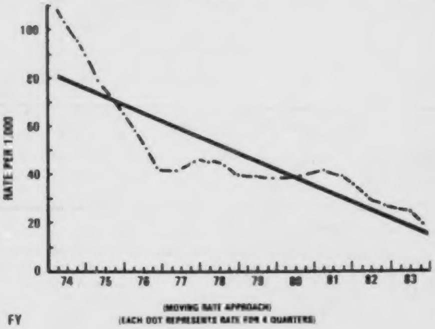
TABLE 3.9



CRIMES AGAINST PROPERTY

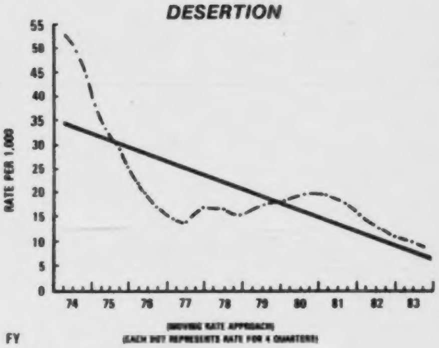
TABLE 3.10

Two key indicators are the AWOL and desertion rates. Both declined steadily during the past decade. The desertion rate is the lowest since FY 62, and the AWOL rate is at the lowest level on record.



AWOL

TABLE 3.11



DESERTION

TABLE 3.12

The positive trend in all four major discipline indicators, particularly the desertion and AWOL rate, is tied to the quality of the soldier. The highly motivated, achievement-oriented young people entering the Army today are less likely to commit crimes or resolve problems through AWOL or desertion. Recruiting from the quality market has paid clear dividends in improving discipline.

STABILITY AND COHESION

The Army is implementing a New Manning System to improve combat effectiveness by reducing turbulence and enhancing cohesion, esprit, and loyalty in Army units. The New Manning System, which currently affects armor, infantry and cannon field artillery units, has two subsystems: the COHORT Unit Movement System and the U.S. Army Regimental System.

COHORT (Cohesion, Operational Readiness and Training). COHORT is a program designed to increase stability in combat arms units. COHORT establishes a three-year life cycle for companies and batteries. First term soldiers are recruited for a specific COHORT unit and undergo Initial Entry Training as a group. Then, they are assigned to a combat unit in the U.S. where they join a cadre. After initial duty in the Continental U.S. (CONUS), most COHORT units deploy overseas on an established schedule. The stable unit environment should allow leaders to establish a greater sense of cohesion, belonging, and unit pride.

During FY 83, 25 additional COHORT units were formed bringing the total to 52. Ten COHORT units had deployed overseas (eight to Europe, two to Korea) by the end of FY 83. Implementation is currently proceeding at a modest and deliberate pace in a continuing effort to identify and resolve the systemic problems which could impede large scale application of the concept.

While the number of participating units is too small to have a significant impact on Army-wide turbulence now, the lessons learned from the evaluation will provide the basis for an orderly expansion.

U.S. Army Regimental System. The Combat Arms regimental System allows soldiers to affiliate with a single regiment throughout their careers, thereby developing a greater sense of loyalty, esprit, and belonging for both soldier and family. Soldiers' careers will be managed based on regimental affiliation to provide recurring assignments to units of the regiment.

Regiments will consist of groups of similar CONUS and outside of CONUS (OCONUS) battalions under a single regimental designation. These groupings are for management purposes only and do not affect current division-brigade tactical structure.

On 5 October 1982, the Army approved the formation of 64 combat arms regiments. Eleven of the approved 64 combat arms regiments were implemented by the end of FY 83.

Control of Military Occupational Specialty (MOS) Migration. In the past, we could identify imbalances in our military occupational specialties but had no timely way to control and track migration of soldiers from one specialty to another. Recently, we have used an automated system, The Skill Alignment Module, to ensure specialty changes are permitted based only on priority needs of the Army.

We are evaluating expansion of the system to include formal training in conjunction with job reclassification, and adding control of additional skill identifiers. Timely adjustment of specialty imbalances by this automated system will align the force to meet force modernization needs and enhance our stability.

Full-Time Support of the Reserve Components. Reserve Component units comprise 22 percent of Army forces earmarked for rapid deployment with the U.S. Central Command (USCENTCOM). This situation highlights how much the Army relies on the Army National Guard and Army Reserve to meet contingency requirements.

To help them reach this unprecedented readiness level, we have raised the numbers of Active Component, Active Guard/Reserve (AGR) and civilian military technicians (MT) who serve in full-time support. These personnel serve at all levels and help organize, supervise, train, and administer the Reserve Components. The largest gain occurred in the numbers of Active Guard/Reserve and technicians at the unit level (see Table 3.13).

FULL-TIME SUPPORT STRENGTH
(Active Guard/Reserve and Military Technicians)

	FY 82	FY 83	FY 84	FY 85
ARNG				
AGR	11,374	13,757	16,632	26,583
MT	22,557	22,742	24,587	24,587
USAR				
AGR	5,894	7,033	9,022	15,027
MT	6,753	6,606	7,585	7,585
TOTAL	46,578	50,138	57,826	73,782

TABLE 3.13

We believe that planned increases in the Full-Time Support Program are fully justified by the growing requirement for Army National Guard and Army Reserve units to achieve readiness standards comparable to the Active Force. Constrained growth in the Full-Time Support Program would seriously impede the efforts of the Army both to modernize and to improve the fighting capability of its Reserve Component units.

QUALITY OF LIFE

The Army is not merely a job or a place to work. It is a way of life based on national service. At its foundation, that way of life has a two-way commitment: by the soldier to the Army and the Nation; and in return, by the Army and the Nation to the soldier. Benefits are visible and tangible evidence of that national commitment. Benefits reinforce the soldier's commitment to serve, despite hazards, hardships, frequent moves, and uncertainties. This reinforced soldier commitment is reflected by better combat effectiveness. Quality of life benefits not only reaffirm the depth of the Nation's commitments to its soldiers, they also vitalize the Army.

ARMY FAMILY PROGRAM

Family Action Plan. The Army came to realize that although it recruits soldiers, it retains families. In recognizing the importance of the soldier and his/her family to the Total Army family, the theme for the Army in 1984 is "The Army Family." Accordingly, we have published the Army Family Action Plan. This plan was spurred by the results of three family symposia held yearly from 1980-1982 as well as a 1983 Family Action Planning Conference. These productive events surfaced hundreds of needs and comments on the state of family support.

In April the 1983 White Paper on the Army Family was published. The White Paper stated the Army philosophy toward its families: "A partnership exists between the Army and Army families. The Army's unique missions, concept of service, and lifestyle of its members -- all effect the nature of this partnership. Toward the goal of building a strong partnership, the Army remains committed to assuring adequate support to families in order to promote wellness, to develop a sense of community, and to strengthen the mutual reinforcing bonds between the Army and its families."

Some Family Action Plan initiatives require budgetary action while others only require procedural or administrative change. An example of the former is the upgrade of child care facilities at many of our installations. Addition of spouse employment data on assignment preference statements of the military member falls in the second category.

Both the Army Staff and our major commands are working on the budget submissions required to achieve the Army Family Action Plan goals. Congressional support for these key programs will send a very positive signal to our families.

We must therefore continue our push to improve Army community facilities and community programs. In this regard, Army Community Service (ACS) responsibilities have recently been expanded in line with congressional and DOD mandates. Additions include the Exceptional Family Member Program, Consumer Affairs and Financial Planning Program, and the Family Advocacy Program, which addresses child abuse/neglect and spouse abuse.

Since ACS has been designated as each unit commander's primary agent for soldier and family support programs, it needs a high priority to ensure needed resources for these new missions.

In the area of child development services, we have begun a general upgrade of child care centers to comply with recent DOD and Army standards. However, despite this work (keyed primarily to fire and safety concerns), most existing facilities will remain inadequate. They need to be replaced with new facilities to meet community and family needs, and to provide child development services.

Soldier Programs. We believe that living and working conditions for our soldiers should be comparable to those of civilians they defend. We are modernizing many of our soldiers' dining facilities to increase their efficiency, eliminate health and safety hazards, and, most important, improve food service.

However, we also urgently need more physical fitness centers to support the Total Army physical fitness program. Chapels and chapel facilities are required for soldiers and their families to sustain spiritual growth. Skill development centers, libraries, theaters and recreational programs provide a respite from training, particularly in overseas areas where recreational opportunities are minimal or expensive. Recreational programs and physical activities are constructive alternatives to drug and alcohol abuse and create a wholesome environment for our soldiers and their families.

Though requirements are many, we have made progress. For instance, during FY 83, more than 500 construction projects were underway. Over 330 were completed, including 75 troop housing, maintenance, and community projects, and 98 medical and utilities improvements. Plans for the future emphasize barracks, medical clinics, hospitals, and equipment maintenance depots.

The Army's goal is to house all soldiers in modern barracks by 1992 and to modernize major medical centers by 1995. Congress helped build this momentum by authorizing $276 million in additional projects funded by savings in FY 83 and FY 84, and by emphasizing soldier-oriented projects. With continued congressional support, the Army will rehabilitate or renew all the basic facilities that affect the soldier and civilian work force by 2004.

Family Housing. The Family Housing Program includes new construction and improvements to government quarters, as well as the operations and maintenance of our current worldwide inventory. New construction is planned where the community does not offer acceptable alternatives. Improvements are designed to modernize antiquated quarters, bring them to contemporary standards, prevent deterioration, and upgrade substandard quarters.

Soldier surveys show that family housing is an important factor in reenlistment. In addition, as we implement the New Manning System, family housing will be even more important to soldiers and their families. When soldiers deploy to unaccompanied tour areas, housing will be needed for their families at their regimental home base stations. Also, additional sets of quarters overseas will be needed to allow concurrent family travel when units deploy to accompanied foreign tour areas. The success of the New Manning System and the retention of career soldiers, then, are linked to continued improvements in family housing.

Military Retirement. We fully understand the growing cost to our nation of the military retirement system and agree with a careful review of options for it. At the same time, we emphasize that the retirement system is but one element of total compensation. More important, we believe the critical test for proposed changes in the total compensation package is the effect on combat readiness in our force.

Unfortunately, there has been increasing concern among soldiers that critics of the current system are comparing military retirement to an old age pension, which it is not, and proposing piecemeal changes without regard to the total compensation package context. Moreover, the proposals may create the impression that the government and the Army are unreliable employers because of unilateral changes to the "employment contract." Coupled with caps on pay increases which ultimately suppress retired pay, the proposed changes would constitute a second reduction of retirement benefits.

Because of these concerns, we continue to oppose piecemeal changes to the military retirement system, and support the in-depth review and analysis by the Fifth Quadrennial Review of Military Compensation. This review has established an analytical point of departure for evaluating our compensation system. But, we must await a validation of the review's proposed alternatives before we can measure their effect.

CIVILIAN WORK FORCE

The civilian work force provides much of the Army's sustainment base. The Army must recruit, retain, and motivate highly qualified civilian employees to provide key support in areas like equipment maintenance, procurement, research, finance, and automation.

As the national economy and employment situation continue to improve, adequate civilian support measures gain importance to parallel recruiting and retention incentives for soldiers.

Emergency Essential Employees. Emergency essential Army civilians who support critical systems overseas during crisis or war conditions are vital to our mobilization plans. We require their signed agreement to remain on the job as a condition of employment. We need further measures, however, to compensate for their support, including protective equipment, pay differentials, and adequate life insurance coverage during hostilities.

Benefits and Compensation. Compensation, benefits, and related out-of-pocket moving costs influence employment and retention decisions. One major issue in this area is the required contribution to both the Social Security System and the Civil Service Retirement System for employees hired after 1 January 1984. Congress has provided temporary relief, but we need a reasonable supplemental civil service retirement plan at low cost for the long term. Otherwise, new employees will be paying more than 14 percent of their salary into retirement programs in 1986, more than other employees and unaffordable by many.

Another issue is the federal merit pay system. To stimulate performance of managers, it is important to provide a stable pay incentive system. It should be convenient to administer and preserve pay equity with the General Schedule system. The current system falls short of both these aims.

Moving Expenses. To ensure civilian expertise is available where it's needed, our civilians must be mobile. But relocation costs, especially for housing, are of concern. Many Army civilians are homeowners who consider real estate reimbursement, mortgage rate differentials, and uncertainty about selling their homes to be strong factors in relocation decisions. Although recent congressional adjustments have improved the match against moving costs, further support is needed to resolve the larger issues.

Civilian Substitution Program. The Army has used both civilian substitution and civilianization programs to replace military personnel with civilians. These are completely different. The Army prefers and supports civilian substitution which preserves military end strength through the assignment of released military manpower to other high priorities. Civilianization, on the other hand, reduces military end strength by a corresponding civilian increase. While both programs increase civilian end strength, only substitution preserves military end strength.

In FY 83, 1,000 military positions were converted to civilian positions by substitution. In FY 84, 1,967 and in FY 85 an additional 1,707 (for a total of 4,674) military positions will be converted. A total of 7,920 military positions are programed to be converted through FY 89. The military manpower released through these civilian substitutions provide for critical increases for high priority modernization and readiness programs.

TRAINING TO EXCELLENCE

> "In no other profession are the penalties for employing untrained personnel so appalling or so irrevocable as in the military."
>
> - GENERAL DOUGLAS MacARTHUR
> Chief of Staff, U.S. Army
> 1930-1935

TRAINING EXCELLENCE

Tomorrow's battlefields will be more lethal, intense, and complex than ever before. This increased lethality and heightened intensity result from significant technological advances in weapons and target location systems, an accelerated pace of operations necessitating an accelerated decision process, and a much greater density of weapons systems. By way of comparison, George Washington's entire Army had less firepower than a single battalion of today's Army.

Simultaneously the density of manpower at risk on the battlefield has been reduced while the responsibilities accruing to the individual soldier have been increased significantly.

EVOLUTION OF BATTALION AREA OF RESPONSIBILITY

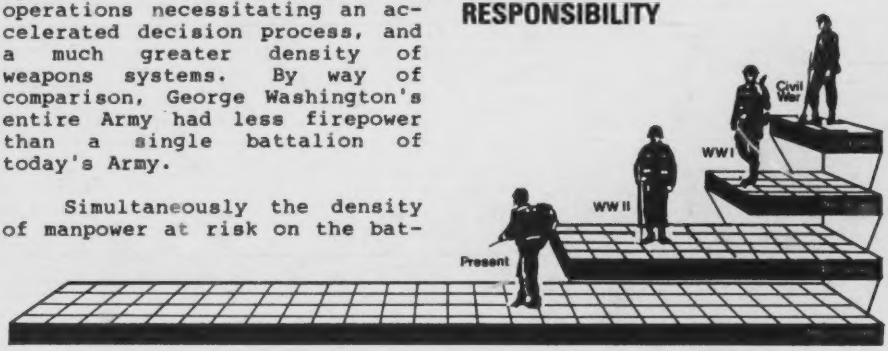


TABLE 3.14

Success on tomorrow's battlefield dictates a peacetime training program in which the individual soldier and the unit are trained to an edge of excellence. Training excellence provides the soldier with the requisite skills and confidence to cut through the confusion of the battlefield and accomplish the mission.

The true test of the quality of Army training programs may be measured best under combat conditions, as in Grenada, and on the fields of training and competition where Army soldiers excelled during the past year. The outstanding success of the Rangers and Paratroopers on Grenada is testimony to the quality of their training and the need for tough, well-trained, well-equipped soldiers who can go anywhere on short notice and win.

It was quality training, superb leadership and superior equipment that enabled U.S. tank companies to finish high company overall, high company CENTAG, and high company NORTHAG in the Annual Canadian Cup Tank Gunnery competition in Europe. This was our best showing in the 20 years of the competition.

INDIVIDUAL TRAINING

During the past year a number of initiatives to improve the training effectiveness of the Total Army were introduced.

Individual Training Evaluation Program (ITEP). ITEP evolved from the Skill Qualification Test (SQT) system and is the foundation of the Army's individual training program. During FY 83 the Army introduced many changes to the SQT system in order to streamline and correct system weaknesses. The revised program incorporates simpler procedures, flexibility and a more comprehensive measure of skill level proficiency. The program provides rapid, useful diagnostic feedback to assess and support individual and, in many cases, collective training in the Army. It is the backbone of individual training in units.

Transition from SQT to ITEP progressed well in FY 83. An extensive education program was delivered to the field. The program now incorporates an informal, local evaluation of task performance and a formal, Army-wide evaluation of individual soldier skill level proficiency.

Under informal evaluation, the field unit commander selects tasks to be evaluated and uses evaluation guides to do hands-on evaluation. The formal evaluation consists of a job specific Skill Qualification Test and a Common Task Test (CTT). A total of 353 SQT in the new format were administered in FY 83. The overall thrust of the Army's efforts in FY 83 was to transition the Skill Qualification Tests and the CTT to be ready for full implementation in FY 84. That mission was successfully accomplished. FY 84 incorporates 615 SQT. In FY 85, 795 SQT are programed for testing.

Evaluation guides to support the commander's evaluation were published as supplements to Soldier's Manuals beginning in FY 83 and are being incorporated into additional Soldier's Manuals as they are revised. Revision of Soldier's Manuals should be completed by the end of FY 86.

The Individual Training Evaluation Program is now achieving those training goals which are vital to individual training in units. It is essential that the momentum be continued and resources made available to support the program. If resources for this program are not provided, individual training in units will be drastically affected, leaders will lose a significant evaluation tool, and unit training will be adversely affected.

Noncommissioned Officer Education System (NCOES). The Noncommissioned Officer Education System is an integrated system of resident training, self-study, and exportable on-the-job material that provides leadership and technical training in support of career progression.

In FY 84 TRADOC will conduct a comprehensive review of the Sergeants Major Academy program of instruction to ensure the course is relevant to jobs being assigned to Sergeants Majcr. During FY 85, a new senior NCO Academy will be built at Biggs Field, Fort Bliss. The academy will provide the Army with the necessary capacity to train senior operations and intelligence NCO's, First Sergeants, and Sergeants Major.

The Primary Leadership Course (PLC) for combat support (CS) and combat service support (CSS) soldiers and the Primary Noncommissioned Officer Course (PNCOC) for combat arms soldiers are being combined into the Primary Leadership Development Course (PLDC). This will provide standardized instruction in the fundamentals of leadership, responsibility, and authority regardless of military occupational specialty.

The Army needs to train the CS and CSS soldier in the technical skills needed to train and supervise other soldiers on the job. Currently, there are 19 Primary Technical Courses (PTC) and 44 Basic Technical Courses (BTC) serving approximately 290 military occupational specialties. The Army will provide for 98 additional courses between now and FY 86. The FY 85 budget will bring on 42 of these 98 courses.

Reserve Component NCOES will be expanded over the next five years to improve leadership training and to provide increased technical training. A Reserve Component First Sergeants course is under development. A Reserve Component working group continues development of the Primary Leadership Development Course which should be on line in July 1984.

The Army is developing a reclassification training policy that includes mandatory training to the grade/skill level in which the soldier is being reclassified. Modification of existing regulations to support this system is in the planning stage. The Army is studying centralized reclassification management and funding.

Military Qualification Standards (MQS). MQS provides the framework of the entire training program for officers from precommissioning through the 10th year of commissioned service for both the Active and Reserve Components.

The MQS system is designed to train and qualify an officer to perform his/her duties in a given grade and position; it involves the officer, the unit commander, and the service school. MQS identifies specific military tasks an officer must be able to perform, and knowledge areas he must master at a particular grade level. The system involves three distinct areas:

MQS I - Provides standardized branch immaterial training at OCS, West Point, and all ROTC detachments. It requires that each cadet be certified that he or she can perform all military tasks included in MQS I and has met a specified percentage criteria in all military knowledge subjects. MQS I manuals and accompanying training support packages provide the methodology for presenting the training and for ensuring standardization. MQS I manuals will be published in FY 84.

MQS II - Lieutenant Phase. This phase provides the skills and knowledge for initial specialty qualification (Officer Basic Course and unit training). MQS II manuals will be phased in by specialty with the last manuals completed in FY 85.

MQS III - Captain Phase. Continues the broadening and deepening of the captain's professional military education/training (includes Officer Advanced Course). MQS III manual print/distribution is on hold, pending the results of the MQS II pilot test to be completed in FY 84.

The MQS system integrates training an officer receives in resident training and in units. It builds toward Combined Arms and Services Staff School (CAS^3) attendance and prepares the officer for field grade responsibilities.

Combined Arms and Services Staff School (CAS^3). The Army plan is for all officers to attend the Combined Arms and Services Staff School. CAS^3 employs improved training technology and gives intensive on-the-job training in the classroom. It is designed to ensure that all officers who staff units which fight, support, and sustain the battle receive quality training at the right time in their service for the type of job they'll do most in their careers.

CAS^3 consists of two phases. Phase I (non-resident phase) starts on completion of the Advanced Course, and is a 15-module, 142-hour, self-paced course, with a qualifying examination. Phase II (resident phase) is 9 weeks. Students are organized into 12-member staff groups, and learn to develop and present staff studies, staff estimates, briefings, write directives, fact sheets, operation plans and orders.

The Combined Arms and Services Staff School is scheduled to be implemented fully in FY 86. For FY's 84-85 there will be 5 classes of 240 students each (1,200), increasing to 10 classes of 450 each (4,500) in FY 86. The first full officer class to attend CAS^3 will consist of officers commissioned in 1977.

Physical Fitness Training. Even with today's modern weapon systems, it is the servicemen and women who are physically and mentally ready to serve their country who will make the difference in any future conflict. Recognizing that the readiness of the Army begins with the physical fitness of the individual soldier and the NCO's and officers who lead them, the Army continues to emphasize physical fitness initiatives implemented during the past two years.

Physical training programs and weight control measures are producing physically fit soldiers more capable of enduring the stresses of combat. Healthy life styles added to physical fitness produce total fitness. And total fitness is the cornerstone of an Army of Excellence.

Cessation of cigarette smoking, drug and alcohol control, good nutrition, stress modification, and spiritual well-being are the foundation of Total Army fitness. Education and motivation to healthy life-styles in our units and medical facilities are producing positive results.

The Physical Fitness Research Institute has several ongoing projects to include a pilot physical stamina program, a scientific protocol for a Type A Stress Personality Study, a field study at Fort Lewis to measure fatigue and exercise, and various nutritional behavior studies. This War College agency has been tasked to coordinate a Military Scientific Symposium as part of the Olympic Scientific Conference in July 1984.

The Surgeon General has fielded 51 health and advisory teams and has initiated a fitness facilitator course for soldiers at Fort Sam Houston, Texas. Additionally, The Surgeon General is conducting a health risk approval program (fitness for training) with the Fort Leavenworth population.

The Army Staff is conducting a corporate fitness research program designed to identify the causes of and methods for preventing stress. In addition, the Army Staff is examining diet and nutrition items and safer athletic gear for soldiers. The master fitness menu has been modified to reduce soldiers' daily salt, fat and caloric intake. Food management assistance training teams were fielded at 72 installations and trained over 4,900 personnel around the world.

As the body of knowledge of

fitness and health expands, the Army will be at the forefront applying that knowledge to programs we develop for our soldiers. We cannot allow our programs to backslide. Through the 1980's we can expect to see significant advances in our fitness doctrine as well as in the way we promulgate healthy lifestyles. We must continue to provide our soldiers facilities in which they can make these new programs effective.

TRAINING FACILITIES/DEVICES

The National Training Center. The National Training Center (NTC) is providing units with the most rigorous combined arms training experience possible short of actual war, using live fire training and opposing forces in realistic scenarios. In FY 83, 9 brigade rotations (including 1 RC battalion) trained at the NTC. Twelve brigade rotations (including 1 RC battalion) will train in FY 84. The NTC is providing unit commanders with an objective assessment of their unit's training status. Leader training is enhanced through the high stress NTC environment. Data collected at the NTC is providing input to improve training, tactical doctrine and systems employment throughout the Army. Specific feedback to units is improving follow-on home station training. Lessons learned are promulgated throughout the Army to improve training and readiness.

Training Range Modernization. The three primary thrusts of the Army Range Modernization Program are:

-New range designs to meet training requirements created by new systems fielding;

-Upgrade of existing ranges suffering the effects of two decades of under-funding;

-Modernization in response to new and expanded training programs.

In answer to a need to standardize Army ranges and targetry, the $109 million FY 84 program includes the first Multipurpose Range Complexes (MPRC). These ranges are the keystone of a new family of multipurpose facilities. They combine the functions of several ranges and are able to meet both tank (M1 and M60A1-A3) and Bradley Fighting Vehicle gunnery requirements from individual crew/squad through platoon and company. Also to be introduced in FY 84 are prototype ranges designed to support the Army's revised rifle marksmanship training program. Both range types will be fully automated and feature new, advanced targetry.

Fielding of the multipurpose ranges will continue in FY 85. The first "light" multipurpose range for airborne/airmobile/light infantry is also programed. While Army Training Centers begin a full rifle range upgrade in FY 85, the first of these ranges fielded outside the U.S. training base will be built for infantry divisions in Korea and Hawaii. Also programed is a new, standardized Military Operations on Urbanized Terrain (MOUT) training facility. With few exceptions (Fort Bragg and Berlin), MOUT training throughout the Army is seriously deficient. Existing facilities are obsolete and support primarily individual soldier skills. The new two-site design will feature a MOUT Assault Course for teaching basic urban combat skills to soldiers and squads, and a Collective Training Facility (CTF) to support platoon, company and battalion force-on-force exercises.

On the horizon, a laser target interface will allow repetitive range gunnery training with present Multiple Integrated Laser Engagement System (MILES) equipment before transitioning to live ammunition. Later fielding of a MILES-compatible precision laser will greatly increase the training value of these surrogate exercises.

Range modernization is driven by force modernization. It takes a well-trained crew to transform a new system's increased design "potential" into an increased performance "capability." This cannot occur on a range or training facility constructed to meet equipment characteristics and training programs of 20 years ago.

Training Devices and Simulators. Increasing constraints on the availability of training resources (e.g., time, people, fuel, ammunition, repair parts) adversely affect training. Advances in training technology (e.g., lasers, videodisc, computer generated imagery) are being exploited to overcome these training detractors and to improve the efficiency and overall effectiveness of training.

The Army intends to expand its use of training devices and simulators. For example, during FY 85 the M1 tank Unit Conduct of Fire Trainer (UCOFT), the AH-64 Attack Helicopter Combat Mission Simulator (CMS), the Army Training Battle Simulation System (ARTBASS), the MILES Air-Ground/Air Defense Engagement System (AGES/AD) and the Automatic Weapons Effects Simulation System (AWESS) will be introduced. Additionally, the Standards in Training Commission (STRAC) weapon training strategies will be validated and implemented Army-wide. The integration of devices and simulators into approved marksmanship and gunnery programs will permit more efficient use of training ammunition, freeing additional resources for advanced gunnery and combined arms live-fire exercises. The effort for developing and fielding such devices must and will be accelerated.

The FY 85 budget will allow the Army to conduct necessary research and development in our most critical training device requirements, including precision gunnery, field artillery crew training, and signals intelligence operator and maintainer training. It will also allow procurement of a variety of devices whose development is complete. The Army is committed to exploiting advanced technology in support of cost-effective training. In order to maintain our mission readiness through training, the full support of training devices and simulators is essential.

RESERVE COMPONENTS TRAINING PROGRAM

The Reserve Components Noncommissioned Officer Education System (RCNCOES) offers courses for combat, combat support, and combat service support personnel. Participation in Reserve Component NCO Education System programs increased from 12,900 in FY 81 to 13,700 in FY 82 when, for the first time, $2 million was specifically budgeted for the program. Over 17,000 personnel will graduate from these programs in FY 83. The FY 85 budget includes increased funding for RCNCOES programs providing additional opportunities for Reserve Component NCO's to improve their military education and professional development. Indications from commanders and senior NCO's are that these programs have contributed significantly to the overall readiness posture of Reserve Component units.

The Key Personnel Upgrade Program, initiated in FY 81, provides opportunities for development of key personnel through direct association with Active Component counterparts during tactical training exercises.

The Army CAPSTONE Program provides Reserve Component commanders with their wartime organization and allows them to plan and train toward their wartime mission. The FY 85 budget provides funding to support attendance by Reserve Component commanders at conferences with CAPSTONE aligned units to exchange information, refine operation plans, and identify training requirements.

Training for RC units at the National Training Center (NTC), begun in FY 83, provides a unique opportunity to execute missions for which they have trained at home stations. Future plans provide for training at the center for one National Guard roundout battalion in FY 84 and five more in FY 85.

Overseas Deployment Training (ODT), begun in 1976, provides high priority Reserve Component units the opportunity to train in their contingency area with their wartime gaining command. A five-year plan has been developed which programs high priority units for ODT through 1988 and provides these units the opportunity to train in their probable contingency area.

FIELD EXERCISES

Execution of war plans and contingency operations in peacetime training exercises and realistic environments is essential to ensure the combat readiness of Army forces. Army participation in JCS exercises demonstrates to our allies and potential adversaries the capability and willingness of the U.S. to deploy rapidly in a crisis situation. In addition, the exercise program provides realistic and mission-oriented training.

The scope of these exercises is determined by the objectives assigned in the JCS

Exercise Planning Guidance. These objectives reflect force capabilities required by the Defense Guidance and the Joint Strategic Capability Plan, balanced against a CINC's assessment of his war-fighting capabilities. Accomplishment of assigned objectives during joint/combined exercises ensures that Army forces are fully capable of executing assigned missions.

During REFORGER, for example, approximately 12,700 Active and 3,300 Reserve Component personnel were deployed from CONUS to Europe. This deployment demonstrated a capability and resolve to meet the NATO Treaty obligations. Team Spirit involved 41,000 servicemen and women and their equipment in a test of our capabilities in the Pacific. This Korean deployment not only accomplished directed objectives, but it also provided a valuable opportunity to train in a country we are pledged to defend.

Other examples of Army forces taking advantage of rare training opportunities offered by joint/combined exercises in varied environments are Big Pine II (Honduras) and Bright Star 83 (Egypt, Sudan, and Somalia). Big Pine II lasted six months and allowed Army units to train with Honduran counterparts in fire support, engineer construction, and counterinsurgency warfare. Bright Star 83 emphasized independent armor operations and included an airborne assault exercise, as well as unconventional warfare training.

Not only did Big Pine II and Bright Star 83 offer unparalleled training opportunities and expanded operational familiarity in critical geographical areas, the exercises also served the national interest by strengthening bonds with friendly nations and reassuring them of continued U.S. national resolve as a valuable security partner.

The JCS exercises are comprehensive and worldwide. There are ten directed and 32 coordinated exercises in FY 84 and 12 directed and 37 coordinated in FY 85.

MODERNIZING AND EQUIPPING THE ARMY

> "Only when our arms are sufficient beyond doubt
> can we be certain that they will never be employed."
>
> \- PRESIDENT JOHN F. KENNEDY
> Inaugural Address, 1961

The combat readiness of today's Army continues to improve through our comprehensive program to modernize the total force. The first-to-fight, first-to-be-equipped philosophy applies to prioritization of both Active and Reserve Components in our efforts to overcome the equipment shortfalls of the past. We are seeing results. Both in Europe and Korea, our readiness posture continues to improve.

Reserve Component units have become increasingly prominent in contingency plans. Many are scheduled for early deployment while others, through the Army roundout program, would deploy with the Active Army unit they round out.

This increased reliance has resulted in higher priorities commensurate with their deployment schedules. For this reason, during FY 83 we saw RC units such as 2/252d Armor Battalion, North Carolina Army National Guard, receiving M1 Abrams tanks and Bradley fighting vehicles before many Active Component units.

The modernization effort has significantly improved our capabilities on the battlefield. We are equipping our soldiers with the best equipment available in the world today.

An important part of our on-going modernization effort is a program to distribute displaced equipment. Later deploying units are receiving equipment that has been replaced in high priority units by new systems. As a result, units which have remained low on the priority list are now receiving first line, often product-improved and fully combat-ready equipment.

The equipment upgrade program was initiated to provide a way to improve allied and friendly nations as well as the Reserve Components and Active Forces. The program is designed to apply state-of-the-art technology to older U.S. origin equipment. The FY 85 development program includes improved armor protection for tanks and armored personnel carriers, better hand-held night-vision devices and ammunition improvements.

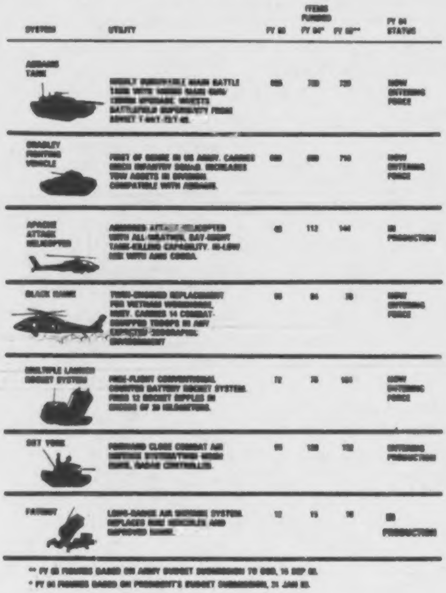


TABLE 3.15

In total, we have an improved Army, better in every respect from the Army of the 1970's. The continuation of our current modernization program and the enhanced capabilities of the Reserve Components are necessary to continue our momentum.

Modernization efforts are also directed toward friendly and allied nations through the Army's Foreign Military Sales (FMS) Program. In FY 83, 1,484 new FMS cases valued at $3.9 billion provided Army materiel, training and services to 71 countries. Many of these countries are also upgrading older equipment by application of product improvements incorporating modern technology.

The most visible example of this is the conversion of early model 90mm gun M48 tanks to the latest 105mm gun M48A5 configuration.

Diversions of equipment from the Army inventory to meet FMS emergency requirements have enhanced the capability of critical friendly and allied countries to defend themselves. The effect on the Army has been offset by the increased capability and by the continued operation of valuable mobilization production lines. Future equipment diversions to FMS will be reduced through the use of the Special Defense Acquisition Fund which will procure materiel in anticipation of foreign military sales. For this reason the Army supports full congressional allocation of the Special Defense Acquisition Fund.

SECURITY ASSISTANCE BY STRATEGIC OBJECTIVES

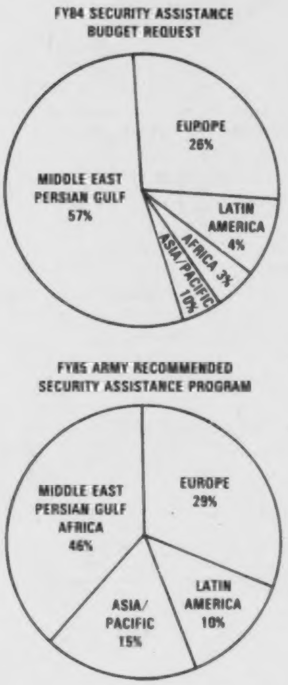


TABLE 3.16

The U.S. Army Development and Employment Agency (ADEA) was established in April 1983 as a field operating agency of Headquarters, Department of the Army, replacing the High Technology Test Bed (HTTB). ADEA's mission is to identify, evaluate, and expedite operational concepts, organizations, and materiel requirements which improve the combat power, deployability, and sustainability of all Army divisions, concentrating on the light infantry units. ADEA will act as the Army "skunkworks" where new concepts, high technology equipment, and innovative tactics will be explored while continuing to support the transition of the Ninth Infantry Division to a High Technology Motorized Division (HTMD).

The mission of the Ninth Infantry Division, after conversion to the HTMD, will be to deploy rapidly to a contingency area and defeat enemy forces ranging from light infantry to tank or motorized forces. The division is being designed primarily for Southwest Asia, with utility in NATO. Upon completion of the conversion to HTMD, the division will retain part of its organization in a test bed role in support of ADEA and other light and heavy division efforts.

We have discussed the procurement of modern and upgraded equipment from a quantitative point of view. The Army must also field quality systems and products, systems which are not only modern and use the latest technologies, but which work and are reliable once we provide them to the soldiers. A high quality in fielded Army equipment is absolutely required. Actions are being taken to strengthen our quality assurance program to include giving firm notice to industry that product quality is a must. We are negotiating better contracts and are becoming tougher on the enforcement of those contracts. Enforcing quality standards is a must if we are to continue to provide our soldiers with the best equipment American industry can produce.

The remainder of this section provides highlights of the Army's research, development and acquisition effort, illustrating the direction and importance of our equipment modernization programs. Systems are grouped according to their battlefield function as either close combat, fire support, air defense, combat support, combat service support, or command and control.

CLOSE COMBAT

M1 Abrams Tank. As of November 1983, 1,489 M1 tanks have been produced and eleven battalions have been fielded (seven in USAREUR and four in CONUS). Concurrently, POMCUS (prepositioning of materiel configured to unit sets) is being filled, and in consonance with the Army's first to fight concept, a National Guard battalion has already received its M1's.

Field performance of the M1 Abrams tank has been impressive. General Otis, the Army's European Commander in Chief, recently praised the performance of the 53 M1's that participated in the REFORGER 83 exercise. He made the following specific observations: all M1's were operational at the end of the exercise and a 98 percent operational readiness rate was demonstrated over the 11-day period. The increased speed, cross-country mobility, target acquisition, and night-fighting capabilities provided the M1 units marked advantages over opposing forces. As in REFORGER 82, the M1 Abrams tank demonstrated that it was the best tank on the battlefield.

M1 ABRAMS TANK

The M1 program will total 7,058 tanks; roughly half will be M1's (105mm main gun) and half M1E1's. The M1E1 tank is scheduled to begin production in August 1985. It is an evolutionary improvement of the M1 series tank which incorporates the German designed 120mm smoothbore gun, armor modification, and a nuclear-biological-chemical overpressure system. Production of the M1E1 model will run through 1991.

The first production deliveries of ammunition to support the fielding of the 120mm M1E1 tank will occur in FY 85. These deliveries will culminate efforts begun in FY 79 to transfer and produce West German 120mm weapons system technology. The 120mm system significantly increases the capability of the Army's armor forces. Continued funding will ensure uninterrupted production of ammunition to support training requirements and an adequate stockpile of war reserve assets.

Bradley Fighting Vehicle. The Bradley vehicles complement the Abrams tank and provide the infantry and cavalry with a high density of TOW (tube-launched, optically-tracked, wire-guided) antitank systems and the lethal firepower of a 25mm cannon. Bradleys allow our mechanized forces to maneuver and fight both night and day and provide overwatching fires while on the move. Current qualitative improvements will allow the Bradley crewman to engage targets in a jamming environment and on an obscured battlefield.

BRADLEY FIGHTING VEHICLE

Bradleys have been fielded in three mechanized battalions, two in CONUS and one in Europe. The FY 85 budget will increase the production rate from 50 to 75 vehicles per month providing more economical and efficient production.

AH-64 Apache Advanced Attack Helicopter. The Apache is a quick-reacting, airborne antitank weapon. Variations in terrain and the unfavorable balance in armor dictate a need for an antiarmor system that can quickly move to the heaviest enemy penetration and destroy, disrupt, or delay the attack long enough for friendly armor and ground units to reach the scene. The Apache is designed to meet this requirement and survive. It is equipped with target acquisition and night vision sensors which permit its two-man crew to navigate and attack in darkness and in adverse weather conditions. The Apache also has a 30mm chain gun and 2.75-inch rockets that are lethal against other targets. In the late 1980's, the Apache will be the Army's primary attack helicopter.

Production of the Army's attack helicopter is well underway. The first aircraft rolled off the Mesa, Arizona final assembly line ahead of schedule, and will be delivered to the Army in 1984. During FY 85, the assembly line will reach a production rate of 12 Apaches per month. This production rate provides the Active Force with Apaches in a timely manner and is an efficient use of available funding.

Hellfire. Hellfire is a laser guided missile, and is the primary antitank weapon for the Apache attack helicopter. Hellfire homes on a laser spot that can be projected from a number of sources including ground observers and other aircraft as well as the launching aircraft itself. This enables the Apache to launch its missiles indirectly, in some situations without even seeing the target. The Apache can carry up to 16 Hellfire missiles.

APACHE FIRING HELLFIRE

Army Helicopter Improvement Program. Since the early 1970's, the Army has required an improved scout helicopter which would not only be survivable in combat, but would be capable of operating under conditions of darkness and adverse weather, anywhere the Army may be called upon to fight. The Army Helicopter Improvement Program (AHIP) Scout will be the Army's first true scout helicopter capable of meeting this need.

The AHIP Scout will provide significant enhancement to the command and control, surveillance, reconnaissance, and target acquisition/designation capabilities of attack helicopters, air cavalry and field artillery units. A modification of the earlier model scout helicopter, it will be equipped with sensors mounted above the rotor system to reduce detectability and increase standoff range from threat weapons systems. Its laser designator will permit pinpoint target location and adjustment of conventional artillery fire as well as guidance of precision munitions such as Hellfire and Copperhead. This will improve scout/attack team survivability by allowing the Apache to launch missiles from concealed firing positions.

Antitank Missiles. The soldier in the field is now receiving TOW-2, an excellent example of evolutionary development to meet the future threat. TOW-2 provides a potent long range (3,750 meters) antiarmor weapon for the Bradley Fighting Vehicle, as well as vehicle mounted and ground launchers.

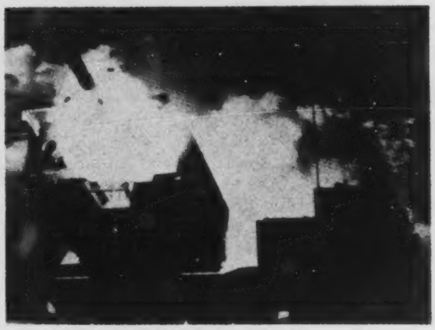
Dragon is currently our mid-range (1,000 meters) antitank weapon. It is no longer produced but will remain in service until we develop an advanced antitank weapon system as a replacement. The new system is expected to begin development in FY 85.

Small Arms. The M16A2 rifle, which is currently being procured by the U.S. Marine Corps, will be bought by the Army starting in FY 85. The rifle will be issued initially to the front line combat soldier. The M16A1 will continue to be the standard rifle for the remainder of the Army and will be replaced only as needed. The M16A2 incorporates improvements in sights, pistol grip, stock, and overall combat effectiveness. The maximum effective range is increased from 460 to 800 meters. Its accuracy is enhanced by incorporating an improved muzzle compensator, three-round burst control, a heavier barrel and the capability to use NATO standard ammunition.

The U.S. Army is currently testing a 9mm handgun. The handgun selected will be procured as the standard for all the services. The goal is to eliminate the current proliferation of handguns in the services and to ensure standardization of 9mm ammunition with our NATO allies. A contract will be awarded in FY 85. The reliability and performance of the 9mm handgun is required to be better than the .45. Characteristics of the handgun will include double action, a higher magazine capacity and better safety mechanisms than the .45.

FIRE SUPPORT

Multiple Launch Rocket System (MLRS). Army field units are now receiving MLRS. This system provides them with a free-flight, area fire rocket system with vastly increased range and indirect firepower capabilities for attacking time-sensitive targets, such as enemy field artillery and air defense positions. Fielding of this system follows an accelerated development schedule with intense operational testing. The system's multiyear procurement contract could achieve savings of over $200 million. Cost advantages also result from a NATO cooperative development and production program with Germany, France, the United Kingdom, and Italy. Enhanced combat effectiveness of NATO forces is achieved through procurement of a common system.



MLRS

M109A2/A3 Howitzer. The Army is requesting $52.4 million for 70 M109A2 howitzers in FY 85. With what has been procured in 1984 and prior years, there will be 2,426 diesel powered, self-propelled M109 series howitzers in the force.

The M109A2/A3 howitzer is a product-improved version of the basic M109 self-propelled 155mm howitzer that was fielded in 1963. The M109A2 is a new production howitzer. The M109A3 is a depot conversion from the M109A1 configuration and is equivalent to an M109A2. The howitzer can fire to a range of 24 kilometers with rocket-assisted projectiles and is capable of delivering a nuclear round.

The Army continues to improve the M109 and in FY 85 will procure additional modification kits. The modification kits provide 25 improvements in the areas of reliability, availability, survivability and nuclear-biological-chemical (NBC) protection.

Field Artillery Ammunition Support Vehicle (FAASV). The Army has an urgent requirement to replace the unarmored M548 ammunition carriers now deployed in artillery battalions in Europe. The FAASV is a fully-tracked, self-propelled armored vehicle designed to carry 155mm and 8-inch ammunition. It has a conveyor belt for moving projectiles and propellant charges from the vehicle to the breech of the howitzer. The Army is requesting 170 vehicles for $84.2 million in FY 85.

Copperhead. Copperhead is a 155mm precision-guided artillery projectile designed to destroy stationary and hard point targets such as armored vehicles and bunkers beyond direct fire weapons range. Copperhead has demonstrated a reliability greater than the OSD requirement of 80 percent. Our current plan is to buy 2,253 more rounds in FY 85 and complete procurement in FY 91 having bought over 30,142 rounds. Additionally, efforts are underway to enhance Copperhead's performance with a microprocessor that will reduce cost and will enhance the projectile's performance against countermeasures.

155-Howitzer Nuclear Projectile (W82). This program is being readdressed as a key element in the modernization of our tactical nuclear forces. In combination with 8-inch cannon and Lance missile systems, it will represent a significant portion of NATO's deterrent capability.

Actions are currently ongoing to seek congressional approval of continuing research and development pending completion of several directed study efforts.

Fire Support Team Vehicle (FISTV) Modification Kits. FY 85 will be the third year of procurement of FISTV modification kits. The FISTV provides mobility and protection against small arms and fragmenting artillery for fire support team personnel and equipment. When equipped with the Ground Locator Laser Designator, the system will allow surveillance, target acquisition, target laser designation, position location and communications while mounted and dismounted.

AIR DEFENSE SYSTEMS

Patriot Air Defense Missile System. The deployment of the Patriot Air Defense Missile System opens a new era for air defense. Its high firepower, fast reaction, and ability to operate in a severe electronic counter-measure environment are features not previously available, but necessary for effective air defense. The system's design will ease the field logistic burden since its overall performance is achieved with less equipment, less operational manpower, and with extensive built-in test equipment.

PATRIOT

The first battalion, which has the mission of training subsequent units, has achieved operational capability at Fort Bliss, Texas. Patriot is being deployed by using a milestone driven schedule under which specific events have to be satisfactorily accomplished prior to proceeding to the next milestone. This approach assures that equipment, training, and support are sufficiently mature before Patriot reaches Europe. The FY 85 budget includes funding for continued production.

The SGT York Division Air Defense Gun. SGT York provides critical organic air defense protection for the forward elements of our maneuver forces. It is the only all-weather, short-range air defense system currently being procured for the Army. The system possesses the reaction time, range and lethality necessary to defeat the armed helicopter threat. The SGT York gun was developed using an accelerated, unconventional acquisition approach designed to achieve initial deployment in the minimum possible time at an affordable cost. The Army intends to procure a total of 618 fire units with 132 planned in FY 85.

Chaparral. Chaparral is a self-propelled, passive infrared homing, short-range air defense missile system first fielded in 1969. It will remain in the Army inventory through the 1990's. On-going product improvements will enable Chaparral to counter the threat. Chaparral will be provided to the National Guard beginning in 1984.

Product Improved Vulcan Air Defense System (PIVADS). Product improvements to the Vulcan air defense system will provide the system with increased effectiveness and improved reliability and maintainability. These modifications will improve the air defense capabilities of our Reserve Component and Active Component light forces. Army intentions are to modify all 600 systems currently in the inventory. Planned procurement in FY 85 is for 241 modification kits.

ROLAND. ROLAND is an all-weather air defense weapon system designed to protect troops and other battlefield targets against low altitude air attack. Activation of the Army's only ROLAND battalion in the New Mexico Army National Guard in FY 84 marks the first time that the National Guard has received a new weapons system not previously fielded by the Active Army.

Stinger. The Stinger manportable air defense system provides a self-defense capability to small combat units in the main battle area. The basic Stinger missile was initially fielded in 1981 as a replacement for the Redeye system. Development of the Stinger-POST began in 1977 to upgrade the capability of the basic Stinger in a countermeasures environment. Stinger-POST tactical deliveries begin in February 1987. The Stinger-POST RMP (reprogramable microprocessor) is an advanced version of the Stinger-POST which will provide a capability for rapid upgrade as the threat evolves. The Army intends to procure 2,360 Stinger-POST systems in FY 85.

COMBAT SUPPORT

Chemical Defense Preparedness. Our chemical defense readiness has been substantially improved by providing more protective equipment, expanding our decontamination capability, and continuing our training emphasis. FY 85 continues this progress.

Chemical Retaliatory Capability. The United States' chemical retaliatory capability is inadequate due to its age, configuration, and composition. Only 10 percent is ready for issue. Chemical retaliation capability is essential as a deterrent.

The binary modernization program establishes the credible deterrent we need. The Army has requested funds to initiate procurement of long-lead items for the 155mm binary chemical projectile in the FY 85 budget. This gives land forces the immediate and responsive short-range capability they need.

Remotely Monitored Battlefield Sensor System (REMBASS). REMBASS is a system of seismic/acoustic, magnetic and infrared sensors that are hand-emplaced and remotely monitored. With the use of associated radio relay equipment, REMBASS is designed to detect and classify the movement of personnel and vehicles out to 100 kilometers. It provides the tactical commander with a forward area early warning/surveillance, rear area intrusion, and target development capability.

COMBAT SERVICE SUPPORT

UH-60A Black Hawk. The Army's UH-60A Black Hawk is being fielded in selected units to meet the needs of our combat forces for a helicopter with increased payload, improved maintainability, reliability, survivability, and performance. The Black Hawk is a battlefield tested success story. In Grenada our new helicopters were able to withstand fierce anti-aircraft fire. One Black Hawk had 45 bullet holes, punctured fuel tanks, holes in the tail and main rotors, much of the control instrumentation destroyed, and five people, including the pilot, wounded. Yet the crew completed their mission. Good technology wins battles and saves lives.

The UH-60A is in its eighth year of production, and 445 UH-60A's have been delivered to the Army as of 31 October 1983. The UH-60A is presently being procured with a FY 82-84 multiyear procurement contract. Because the production base is stable, multiyear procurement has produced substantial savings. The Army is proposing a follow-on multiyear procurement for FY's 85-87. The program continues toward meeting the procurement objective of 1,107 aircraft.

Wheeled Vehicle Fleet. In October 1980 the Army forwarded its zero-based "Tactical Wheeled Vehicle Fleet Requirements Study" to Congress. Using this set of requirements as a base, the Army has developed a plan to:

- Update the light load vehicle fleet with the new, complementary High Mobility Multipurpose Wheeled Vehicle (HMMWV) and Commercial Utility and Cargo Vehicle (CUCV).

- Update and augment the 5-ton fleet with a new, product-improved 5-ton truck.

- Improve the heavy load fleet with the new 10-ton Heavy Expanded Mobility Tactical Truck (HEMTT).

In FY 83, the Army signed a five-year multiyear contract for the HMMWV's and saw the roll out of the first CUCV production vehicles. Both of these vehicles are multiservice programs. In FY 84, the Army will continue to field the new CUCV and improved 5-ton truck while full initial operational capability for the HMMWV and HEMMT is scheduled for FY 85. When the 5-ton multiyear contract ends in FY 85, the Army plans to initiate a new multiyear competitive procurement bidding. Beyond FY 85, the Army's goal will continue to be filling unit shortages and replacing overage equipment with a tactical wheeled vehicle fleet that demonstrates the required performance and efficiency necessary to sustain and support tomorrow's Army of Excellence.

Other Support Equipment. A host of other less glamorous but equally essential equipment will be procured in FY 85 to modernize and improve the Army's support capability. Commercial and administrative vehicles, for example, will be purchased to replace a portion of the aging non-tactical vehicle fleet. A logistics support vessel, watercraft and railcars will be procured to improve our capability to transport, off load and distribute materiel. Finally, much needed water support and fuel distribution equipment will also be purchased. These are but a few examples to demonstrate Army plans to modernize all aspects of combat service support.

COMMAND AND CONTROL

Single Channel Ground and Airborne Radio System (SINCGARS). SINCGARS is the Army's new generation of single-channel VHF/FM combat net radios designed to furnish secure voice or data communications in a hostile electronic warfare environment. Antijam is provided through the use of a sophisticated electronic countermeasure known as frequency hopping. The radio is provided in seven different configurations ranging from a lightweight manpack to a vehicular long-range version. SINCGARS is designed for high field reliability and simplicity of operation and maintenance. It will replace the Army's aging and outdated inventory of combat net radios. Initial field capability is planned for FY 86.

Position Location Reporting System (PLRS). The Position Location Reporting System (PLRS) is a joint Army/Marine Corps development that will provide combat commanders with near-real time identification and location of equipped forces on the battlefield, regardless of terrain or weather. The Army is merging PLRS with the Joint Tactical Information Distribution System (JTIDS) to form the Army Data Distribution System (ADDS), an automatic tactical data distribution system capable of meeting near-real time data communications requirements in support of an automated battlefield. The initial fielding of ADDS is planned for 1988.

Joint Tactical Communications Program (TRI-TAC). The majority of Army tactical communications systems in the field today employ slow, manual, manpower intensive, obsolete, non-secure equipment. This equipment employs outdated techniques and cannot be upgraded to exploit modern techniques that provide more effective, reliable service with fewer operators. The Army is exploiting the technological advances made in the computer and digital communications fields for the development and acquisition of tactical communications systems under the TRI-TAC program.

SUMMARY

The systems discussed throughout this section derive significant capabilities from a vigorous Army technology base. High survivability armor for the Abrams tank; an all-weather target acquisition system on the Apache; advanced radars on Patriot and SGT York; and robust new command, control, communications and intelligence products all reflect contributions from a healthy Army laboratory system and orderly transfer of technology from concepts to systems. In order to sustain the levels of excellence achieved in the Army during the past three years, this technology base must be expanded and continually revitalized if we are to counter tomorrow's threat.

MOBILIZING AND DEPLOYING THE ARMY

> "Victory is the beautiful, bright-colored flower. Transport is the stem without which it could never have blossomed."
>
> - WINSTON CHURCHILL

The Army's mobilization objective is to be postured in peacetime to facilitate rapid deployment in war. The training base, personnel, support systems, and equipment required to accept and train soldiers must be identified and immediately available to meet the mobilization surge. Improving and refining our mobilization capacity is an important peacetime mission for the Army.

The Army's capability to mobilize should improve during FY 85 primarily through improvements in Reserve Component management and full-time unit support, the mobilization base (which includes the training base), and the industrial base.

In recent years, increasing reliance has been placed upon the Reserve Components with the addition of early deploying missions. ARNG and USAR units, to include major combat units, have been identified in FY 84 for critical missions in the Rapid Deployment Force (RDF), roundout, POMCUS and theater defense categories. Expansion of the RC role to meet early deploying missions will continue in FY 85.

Reserve Component mobilization capability has also improved by expanding the CAPSTONE program to include Korea and the CONUS sustaining base. The development and implementation of the Continental Army Management Information System (CAMIS) has also been accomplished. Additional improvements have been made to the mobilization automation system for reserve management and for mobilization expansion.

Mobilization planning has been enhanced at all levels by adding planners to CONUS base commands and installations. Programs initiated in FY 82 for the expansion of the mobilization training base will continue in FY 85, including purchase of war reserve stocks of individual clothing and equipment and modest improvements in the acquisition of major end items for the training base. Resources are provided for initiating construction of facilities to support base expansion upon mobilization.

Mobilization exercises are designed to evaluate, correct deficiencies, and improve the mobilization preparedness and readiness of both Active and Reserve units. These exercises provide valuable, dedicated time for units to train solely on mobilization tasks. In FY 85, over 350 mobilization exercises will be conducted, completing the first phase of the program in which each of the early deploying units will have participated in a mobilization readiness exercise.

The Army continues to identify and correct deficiencies in the capability of CONUS installations to outload early deploying and mobilizing units. This capability will enable these units to meet required closure dates at ports of embarkation. The Army program is designed to correct such deficiencies as deteriorated installation rail trackage, inadequate blocking and bracing materiel stocks, and insufficient loading facilities such as end ramps and marshalling areas.

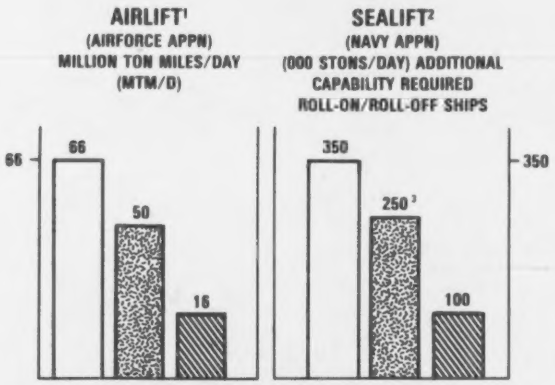
Major outloading deficiencies at most Third U. S. Army deployment installations are now being corrected. The Army FY 85-89 program extends this effort to the remaining deployment installations and the mobilization base depots, home stations and mobilization stations. Over $44 million is programed through FY 89 for this effort; however, nearly $100 million additional funding is required through FY 90 to correct identified deficiencies.

Essential to our mobilization mission is a comprehensive command and control structure to oversee the timely movement of critical resources. Planned modernization of the Worldwide Military Command and Control System (WWMCCS) facilities is designed to provide this capability. Continued enhancement of command and control systems between deployment agencies and improvements to the Army WWMCCS Information System (AWIS), Defense Satellite Communications System (DSCS) and Tactical Area Communications Systems will begin in FY 85.

Strategic mobility continues to be one of the Army's primary concerns. The Army is unique in that it must rely on its sister services, the Air Force and the Navy, to meet its global deployment commitments. Despite recent notable improvements in our air and sealift capabilities, substantial shortfalls continue to exist for both inter- and intra-theater requirements. Even with the Army's programs for prepositioning equipment, there are significant shortfalls in our ability to project the force and sustain it in combat.

For example, our current requirement is to reinforce NATO with 10 divisions in 10 days. Strategic lift shortfalls limit our capability to only six divisions in 10 days. To meet current deployment objectives in Southwest Asia, we should be able to move several divisions in six weeks. Again, the strategic lift reality is that only one division can be delivered in that time frame. The plain fact is that significant numbers of aircraft and ships are needed to move Army ground forces. The total lift need becomes even greater as distances to theaters of operations increase. Table 3.17 depicts the current airlift and sealift shortfalls.

STRATEGIC AIRLIFT AND SEALIFT SHORTFALLS



LEGEND: ☐ = REQUIREMENT, ▨ = PROGRAM, ▧ = SHORTFALL
REQUIREMENT SOURCE: CONGRESSIONAL MANDATED MOBILITY STUDY AND DOD SEALIFT STUDY.

NOTES:

1. CURRENT AIRLIFT PROGRAM INCLUDES C-5B AND KC-10 PROCUREMENT.
2. CURRENT SEALIFT PROGRAM INCLUDES SL-7 CONVERSION, FLATRACK/ SEASHED PROCUREMENT AND RRF EXPANSION.
3. THERE ARE NO FUNDS IN THE CURRENT NAVY PROGRAM TO PROVIDE ADDITIONAL FAST OR CONVENTIONAL SPEED ROLL-ON/ROLL-OFF SHIPS.

TABLE 3.17

The Army's light division initiative will help decrease our strategic lift shortfall, but even with this effort, our ability to execute a global strategy will remain severely limited. Increased lift capability remains the essential solution to our deployability problem.

Thanks to strong support from both Congress and our sister services, there have been important gains made in improving strategic lift. For example, the Air Force program to improve the utilization rates for Military Airlift Command (MAC) aircraft has increased total airlift capability. Also, gains were achieved as a result of the C141 stretch program and the C5-A wing modification program. The congressional decision to fund procurement of 50 additional C5-B and 44 KC-10 aircraft will further enhance our rapid, early-on, force projection capability. However, intra-theater airlift capability will remain inadequate, especially for outsized cargo, until a new intra-theater lifter such as the C-17 is developed and fielded. The Army supports the Air Force's C-17 initiatives.

Acquisition of eight SL-7 containerships by the Navy constituted a major improvement in total sealift capability. Approval of funding for conversion of the SL-7's to roll-on/roll-off configuration represents a commitment to develop the full potential of these fast sealift assets. The conversion of the first four vessels has begun. Funding for conversion of the remaining four was approved in the FY 84 appropriation. We need to press ahead now with further strategic sealift improvements against the known shortfalls recently identified by the DOD Sealift Study.

Moving materiel from the Navy vessels offshore to the units on the ground is another vital aspect of deployability. In this regard, the Army has the mission of providing logistics-over-the-shore (LOTS) support to U.S. Central Command; and, here again serious shortfalls exist. Near-term Army LOTS capability has been improved by fielding of the first LACV-30 company, and it will be further improved when the second company is activated in October 1984. The FY 85 budget provides for continued enhancement of our LOTS capability and enables us to procure landing craft, pier barges and a logistics support vessel.

A comprehensive modernization program for the Army watercraft fleet is currently underway and is being refined based on the findings of the DOD Sealift Study. We are working closely with the Navy to identify new types of cargo discharge equipment such as causeways and roll-on/roll-off discharge facilities that will enhance our total LOTS capability.

To alleviate some of our strategic mobility shortfalls and to improve our ability to deploy forces rapidly, the Army has initiated land and sea based prepositioning programs.

These programs assist in meeting deployment objectives by reducing demands for strategic airlift and sealift as well as the time it takes to move forces to a particular region. Prepositioning also provides for improved sustainment of early deploying forces.

Much more needs to be done beyond FY 85 to reduce deployability shortfalls. The SL-7's, while a good start, do not fully close the gap between sealift requirements and capabilities. Additional aircraft beyond the planned C5-B and KC-10 buy are also needed. Further, our LOTS program is on the right track but falls short of being where it should be. These are the conditions which give rise to our concerns. These concerns may be compounded if the on-going DOD Worldwide Intratheater Mobility Study identifies additional lift requirements.

SUSTAINING THE FORCE

"Without supplies no Army is brave."

- FREDERICK THE GREAT

The characteristics of modern military forces and the changing nature of land warfare dramatically accelerate the anticipated rates of battlefield consumption and attrition. In addition, the threats we face provide potential for conflict beginning with counterterrorism at the low end of the spectrum to nuclear warfare at the high end. These conditions challenge our logistics support capabilities like never before. Not only must our logistics systems be able to transport, supply and maintain rapidly, but also they must be flexible enough to accomplish these requirements in a host of potential battlefield scenarios.

To meet this challenge, logistics support is being modernized and reshaped at the same time we modernize our equipment and reshape our force structure. Our efforts are aimed at reducing the logistics burden, improving productivity and taking advantage of new management techniques and emerging technology. Logistics research and development is being exploited and opportunities for increased roles by host nations, allies and industry are also being examined. Although much remains to be done, the Army is meeting the logistics challenge.

Increasing Reliance on the Reserve Components. The Re-

RESERVE COMPONENT FORCES CONTRIBUTION TO THE TOTAL ARMY FORCE (25 DIVISION)

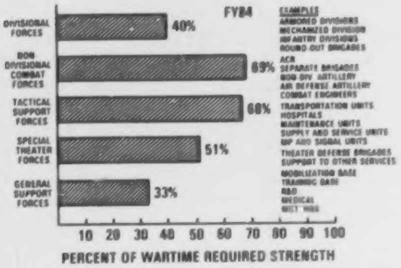


TABLE 3.18

serve Component units are designed to be compatible with and complementary to the Active Force units. Reserve Component units no longer deploy "after" the Active units but "with" them and in many cases they actually deploy "before" some Active units.

DISTRIBUTION OF FORCE STRUCTURE COMBAT TO SUPPORT

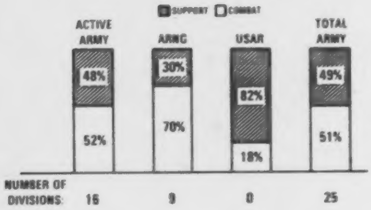


TABLE 3.19

As of FY 84, nine combat divisions (36 percent of the total number of combat divisions) are organized in the National Guard. Two-thirds of the Army's combat service support capability is found in the Reserve Component units. Table 3.18 depicts the RC distribution of force structure in the Total Army during FY 84.

Table 3.20 demonstrates the trend towards increasing reliance on the RC forces since 1979.

AC/RC MIX PERSPECTIVE

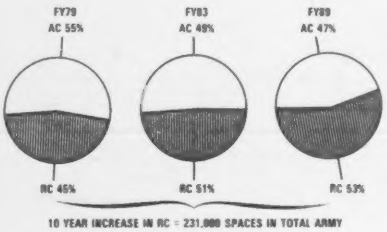


TABLE 3.20

Prepositioned War Reserve Stocks. At the outset of hostilities, our combat forces will rely heavily on prepositioned war reserve stocks. These are stocks of major equipment, secondary items, ammunition, fuel and other materiel, which are prepositioned forward in the theaters of operation to sustain the combat effort until the production base can accommodate wartime resupply demands. The lethality of today's battlefield makes it critical that adequate quantities of these stocks be on hand. Prepositioned stocks reduce the initial demands on our strategic air and sealift assets. Among our major short-term objectives are the reduction of ammunition shortages and increases in secondary item stockage levels.

POMCUS. POMCUS is organizational equipment stored in company- and battalion-size packages in a ready-for-issue condition. The purpose of POMCUS is to position the majority of a unit's organizational equipment forward so that in times of crisis only unit personnel, with minimum equipment, will require airlift to Europe. Currently, POMCUS consists of four division sets (DS) of equipment. The Army program is for six division sets. Storage sites for 5 and 6 are currently under construction and are programed for completion in late FY 84-85. Prepositioning for sets 5 and 6 will begin as these sites are completed.

Master Restationing Plan (MRP). Another important burden-sharing initiative currently designed to improve the sustainability of European forces is the MRP. The plan envisions the establishment of three brigade-size bases near the West German-Warsaw Pact border which will both improve the forward deployment of our combat units in Europe and accommodate our force modernization program. The FY 85 budget request includes $36 million for division air defense (DIVAD) battalion facilities in the V Corps area. This will allow a series of unit moves alleviating crowding and optimizing the use of existing facilities.

Ammunition War Reserves. Funds for improving the posture of ammunition war reserve stocks are contained in the FY 85 budget request. These stocks are necessary to support the worldwide commitment of Army land forces with the most modern munitions available for combat systems including tanks, artillery, air defense and attack helicopters.

RDX/HMX Improvements. Funds are requested in FY 85 to improve the current U.S. Research and Department Explosive (RDX) and High Melt Explosives (HMX) mobilization readiness posture. The thrust is to decrease dependence on the present vulnerable sole-source plant in Kingsport, Tennessee through long-term construction of additional plant capacity at multiple sites. The FY 85 budget request initiates development of a new technology HMX Facility, stockpiles RDX/HMX based compositions, and continues efforts to modernize the existing plant.

Secondary Item War Reserves. In FY 85, the Army is requesting $483 million for secondary item war reserves. The request includes stock funds of $210 million for consumable repair parts and personnel support items such as cold weather clothing, body armor, helmets and medical items. In the past, sufficient funds have not been available to reach our goal for these stocks. Although secondary items account for only a small portion of the total dollar value of our war reserve program, shortages of these items can seriously degrade our combat capability.

Depot Maintenance. A comprehensive depot maintenance program is vital to the sustainment and readiness of combat forces. The materiel maintenance element of the program provides an efficient and effective source of supply by returning serviceable major and secondary items directly to user units. Materiel maintenance also supports foreign military sales programs and helps maintain a viable production capability for mobilization requirements. The maintenance support activites aspect is just as important and provides for fielding support for new systems, maintenance engineering, new equipment training and the update and revision of technical publications. The FY 85 budget is tailored to assure the Army of a balanced depot maintenance program, one which continues to provide responsive support for units in the field.

Repair Parts Supply Support. A host of initiatives are underway to improve repair parts supply at both the wholesale and retail levels. One such initiative is the restructuring of Authorized Stockage Lists (ASL) and Prescribed Load Lists (PLL) within the divisions. Army studies begun in 1974 have proven that the number of repair parts stocked at division maintenance battalions and individual units can be significantly reduced with no impact on readiness or sustainability. These reductions are achieved by eliminating non-essential parts and by converting to a new computer stockage model. The payoff is that the same levels of sustainment are achieved with fewer parts, and the divisions are confronted with a greatly reduced logistics burden. Both ASL's and PLL's are restructured to provide sufficient depth and breadth of parts to support maintenance operations under combat conditions. After restructuring, divisions will be able to transport authorized parts with organic transportation more easily. The Army will continue these types of initiatives in FY 85 as it strives to modernize all aspects of logistics support.

Tactical Water Support. Tactical water support is a critical element of sustainability. Resources are required to provide water detection, production, treatment, storage, distribution, cooling and force structure support to Central Command forces in an arid environment. Equipment requirements have been determined and funds have been programed to support the expanded Central Command force.

Equipment procured with prior year funds is being delivered and will be used to establish a training program at the NTC to fill TOE units' stocks, to fill FORSCOM operational project stocks in support of Central Command, and to establish a training base for exercises.

The Army, as DOD Executive Agent for land-based water resources in contingency operations, has developed, in close cooperation with other services and applicable DOD agencies, concepts and doctrine for water support. Additionally, Army units received valuable water support experience and training during operations in support of Big Pines II.

Bulk Petroleum Distribution. Distribution of bulk petroleum is one of the most critical elements of readiness and sustainability. The Army is responsible for the inland distribution of bulk petroleum, oil, and lubricants (POL) to all services. The Army's mission is to maintain a flow of bulk fuels from a combination of off-shore/pier-side tanker discharge systems through a network of on-shore storage and distribution systems.

We have programed funds to improve petroleum discharge over-the-shore and inland distribution capabilities and to modernize petroleum systems by taking advantage of technological advances in petroleum distribution equipment. The Army's efforts to improve and modernize petroleum distribution capabilities will improve our readiness to meet the ever increasing bulk petroleum distribution requirements of all services.

The Industrial Base. Sustainability issues concern manpower, war material stockpiles, and the mobilization capacity of the industrial base. We must identify how much we need, what we can afford, and what investment policy we should pursue to achieve our requirements. The Army has evaluated industrial base capability for surge, sustainability and mobilization. The evaluation showed that our industrial production base could reach mobilization production rates in approximately two years for such systems as the Abrams tank and selected types of 155mm artillery rounds. More than one year would be required to reach surge production rates needed for Hawk missiles and some types of 105mm tank ammunition. Although it is unlikely that sufficient levels of principal war reserve items will be acquired in the near term because of current fiscal constraints, we can improve our sustainability by targeting key industrial sectors for investment. Better products with lower unit costs will result when investments are properly allocated to basic industries.

ECONOMIES AND EFFICIENCIES

This administration's emphasis on achieving economies and efficiencies and streamlining operations throughout all federal agencies will continue and even intensify as the President's Private Sector Survey on Cost Control (the Grace Commission) releases its various reports. Therefore, it is in the Army's interest to seek ways to achieve bonafide economies and efficiencies in its operations and to document these actions in the annual budget submission to Congress.

ECONOMIES, EFFICIENCIES AND MANAGEMENT IMPROVEMENTS (EEMI)
Savings/Cost Avoidances
(TOA $ Millions)

EEMI Initiatives	FY 81-89 Total
Acquisition	
Lower Cost Alternatives	7.3
Multiyear Procurement	1287.7
Economic Production Rates	501.7
ELIM/Reduction Marginal Programs/Systems	2571.7
Productivity Enhancements	36.7
Other Acquisitions	365.6
TOTAL	4770.7
Operations	
Logistics Improvement	1918.6
ELIM/Reduction of Marginal Programs/Systems	614.7
Administrative Overhead	517.4
Increased Productivity	2604.4
Base Support Consolidations Reductions	144.3
Other Operations Improvements	878.5
Base Realignments	78.7
Total Operations	6756.6
Total Acquisitions	4770.7
GRAND TOTAL	11,527.3

TABLE 3.21

The Department of the Army Economies, Efficiencies and Management Improvement (EEMI) Program was introduced in 1981 and is the Army's counterpart to DOD's Management Improvement Program. The EEMI Program serves as a framework to identify and integrate efforts aimed toward improving the overall efficiency and effectiveness of the Army through increased productivity and successful application of cost control techniques. Continued momentum and success of the program are directly linked to the participation of program directors and resource managers at every operating level. The Army's EEMI record for FY 81 through 89 is depicted in Table 3.21.

One of the principal initiatives under the EEMI Program is multiyear procurement. Multiyear procurement provides significant benefits for the Army due to the expanded multiyear authority provided in the FY 82 DOD Authorization Act. The expanded authority permits the use of advance procurement funds for economic order quantity (EOQ) procurement. EOQ procurement is the purchase of more than one year's requirement of an end item's components or material to obtain a better price. Prior to FY 82, advance procurement funds could be used to procure no more than one year's requirement of long lead components for material to protect an end item's delivery schedule. We initiated three EOQ multiyear contracts with FY 82 funds and seven EOQ contracts with FY 83 funds. The contracts and their estimate savings are depicted in Table 3.22.

FY 82 FUNDS	($M) Savings
BLACKHAWK	81.1
M1-Fire Control	72.2
ALQ-136	34.6
Total	187.9
FY 83 FUNDS	
M60 TTS	87.6
BFVS (Components):	
Transmission	10.1
Turret Drive	3.5
Power Control Unit	10.8
TOW Subsystem	22.1
T700 Engine	75.1
MLRS	209.1
Total	418.3
Grand Total	606.2

TABLE 3.22

Other significant initiatives include the Army's capital investment programs and the Value Engineering Program. Our capital investment programs allow us to invest funds to modernize tools, equipment, and facilities to increase productivity. The key to these programs is the ability to achieve, relatively quickly, matching savings. In other words, we operate these programs in a classical business sense. The return on investment of 14:1 is testimony to the worth of these efforts.

Our Value Engineering (VE) program has an extremely-high (30:1) return on investment. The private sector contractors help us in this program through the "VE incentive clauses" in the contracts. These clauses allow contractors to share the first year's savings.

The pursuit of economies and efficiencies are an essential element of good management. Our successes in this area demonstrate that we are prudently managing the taxpayers' dollars. The Army will continue its efforts to improve and operate in the most economical, efficient manner.

Complementing the Army's discipline efforts in the EEMI Program is the Defense Acquisition Improvement Program (DAIP).

Among the more significant outgrowths of the DAIP are efforts to strengthen the industrial base and to require specific definition of acquisition strategy earlier in the materiel acquisition process. The Army has also initiated numerous actions to stabilize the acquisition process including risk review and funding and development of a program management control system to document details of acquisition plans, costs, and requirements for management control. Most recently, the Army has pursued a program of integrating weapon systems costing with programing and execution management. Costs can then be tracked fromthe initially defined system requirement to the final acquisition program and, if required, to the Selected System Acquisition Report.

In addition to EEMI and DAIP, the Army is an active participant in DOD's Commercial Activities (CA) and Defense Regional Interservice Support (DRIS) programs. The Army's cost avoidance and budget savings in these programs have been noteworthy. For example, in FY 83 the Army achieved DRIS savings of $15.2 million which represented 54 percent of the total savings accomplished by DOD. Army DRIS achievements in FY 84 are expected to be even more impressive.

The Army's Force Report of the President's Private Sector Survey on Cost Control presented recommendations with estimated three years' savings of over $12 billion. Over 75 percent of these estimated savings were reported in the area of major materiel system acquisition.

SECTION IV: THE ARMY OF TOMORROW - Maintaining Excellence

> "It is important that the Armed Forces and our Nation maintain a forward looking attitude...There must be a readiness to understand and to accept the wide variety of tasks that are the Army's to perform -- a readiness to test, analyze and accept new weapons, doctrine, and methods -- a readiness and mental flexibility to accept those changes in organization that are required to meet the Army's varied missions -- a readiness and willingness to respond whenever and wherever the forces of freedom and our national interests are challenged."
>
> - GENERAL CREIGHTON W. ABRAMS
> Chief of Staff, U. S. Army
> 1972-1974

The overall goal of the Army is to achieve and maintain a level of readiness that will signal to foreign governments the United States' preparedness to promote and protect its interests. To make that signal credible, the Army's readiness to fight must be unmistakable, today and in the years to come.

The progress of the last three years offers high hope for the Army's future. With the understanding and support of the American people, the attainment of an Army of Excellence to ensure tomorrow's readiness is achievable. The Nation deserves no less.

A number of requests in the budget this year as part of our 5-year program will not bear fruit until much later. In this sense this year's decisions will shape the Army of the future.

Planned initiatives in the following areas highlight the Army's dedication to develop tomorrow's Army of Excellence.

RESEARCH AND DEVELOPMENT

Our R&D efforts are oriented toward taking advantage of our technological strengths. To meet the challenges of the future, we are placing greater emphasis on leading edge technologies. Examples of such technologies are distributed communication, infrared and radar target acquisition, advanced lethality munitions, artificial intelligence and biotechnology.

During the past few years, the Army has demonstrated considerable progress in developing an arsenal for the future. During FY 84, for example, we will demonstrate a countermeasure resistant, real-time, digital, command and control network; an automatic target recognizer compatible with Army developed forward-looking infrared systems; a fiber-optic guided, fire-and-forget missile; remotely controlled scouting systems; and advanced antibody generation techniques. Army systems employing leverage technologies are discussed below.

Remotely Piloted Vehicle. The Army's future reconnaissance and target acquisition capability will be enhanced by the remotely piloted vehicle (RPV). Israeli success in employing RPV's against Syrian air defense targets in the recent war in Lebanon highlights the battlefield efficacy of this technology. Because a potential enemy's air defense capability could make manned flights penetrating into his area risky, a remotely piloted vehicle with low-light television and a forward-looking infrared night vision sensor is the ideal platform for providing real-time information on front line and second echelon enemy troop dispositions. This system will have the capability to adjust artillery fire and designate targets for laser-designated precision-guided munitions. Possible future payloads include communications retransmission, jammers, and meteorological survey.

Joint Surveillance and Target Attack Radar System (JOINT STARS). The ability to see deep and shoot deep are keystones of the AirLand Battle concept. The JOINT STARS program, a joint development between the Army and Air Force, is directed toward development of an airborne radar capable of locating vehicles and rotary wing targets beyond ground line of sight and transmitting this target information through secure data link to multiple ground stations. The radar is to be mounted on the OV-1D (Mohawk) airframe for the Army and on the TR-1 or C-18 airframe for the Air Force.

Robotics and Artificial Intelligence. The Army has completed two major studies that clearly point out tremendous advantages offered by this technology. This new program highlights "demonstrators" or test beds to incorporate equipment and techniques of robotics and artificial intelligence. The highest priority demonstrator will be a tactical robotic vehicle as a means for increasing our combat effectiveness with minimal human risk and reduced logistical and training requirements. This vehicle will be equipped with sophisticated sensors for reconnaissance, target acquisition, and engagement. The vehicle will be a module for combat and combat support missions with terrain, obstacle, and target sensing capabilities.

The importance of robotic systems as combat multipliers cannot be overemphasized. The combat power generated by increased numbers of combat systems and faster reaction times will provide us a battlefield edge. Robotic vehicles can maintain constant alert and pressure on the enemy. Without human crews, vehicle size and weight can be reduced in maximizing the system's deployability anywhere in the world. Finally, the reduction in human casualties afforded by robotics protects our most valuable asset, the highly trained soldiers who would be most difficult to replace in war.

WEAPONS SYSTEMS TO MAINTAIN THE WINNING EDGE ON TOMORROW'S BATTLEFIELD

It is increasingly evident that the quality and quantity of Soviet bloc equipment cannot be offset solely by the plans enumerated elsewhere in this posture statement. In FY 83, the Army conducted an in-depth analysis of one commodity area, aviation, to determine requirements and capabilities through the end of the century. This aviation modernization plan provides a road map whereby the Army will sustain as necessary current fleet aircraft, and, within programed resources, accelerate development of a new family of light aircraft, the LHX, to replace older model Scouts, Cobras, and UH-1 utility helicopters. The same process of analyzing and formalizing future equipment plans will be applied to other commodities this year.

Ballistic Missile Defense (BMD). Funding to support the BMD program is in the process of being centralized at Department of Defense (DOD) to reflect the Strategic Defense Initiative announced by the President in 1983. Most of the funds are being removed from the services' budgets for FY 85 and beyond. However, the services will continue to execute this program under DOD direction. The Army retains responsibility for developing concepts and technologies to counter attacking missiles in the terminal and mid-course phases of their trajectories. The Army is pursuing new and innovative ideas that will lead to the conceptual development and demonstration of systems to defend our cities and other softer targets.

Anti-Tactical Missile (ATM). The joint ATM program began in FY 83. Its purpose is to counter the tactical surface-to-surface missile threat. The program is in the initial stages of concept definition and includes both near- and long-term portions. The near-term effort focuses on upgrade of existing air defense systems to blunt an initial tactical missile attack. Concurrent long-range efforts address active and passive surveillance techniques to locate tactical missiles and new or evolutionary systems to handle the total threat spectrum including destruction of launchers and missiles on the ground.

Joint Tactical Missile Program (JTACMS). This system will give the Army the capability to destroy, neutralize or delay the enemy's second echelon forces well beyond the range of current cannons and rockets. Within the framework of the AirLand Battle concept, the Army and Air Force have merged their requirements for a corps support weapon system and a conventional standoff weapon into the Joint Tactical Missile System (JTACMS) program.

Joint Tactical Fusion Program. The large volume of tactical intelligence information available on today's battlefield can give the commander an advantage over his adversary, but only if it can be reported, collated, and interpreted rapidly and accurately and if assessments can be disseminated in time for decision-makers to act. The Joint Tactical Fusion Program, initiated at congressional direction in 1980, is an Army/Air Force program to develop and field automated tactical intelligence support systems with maximum commonality in hardware and software, so that ground and air commanders may share a common perception of the enemy ground situation. In 1983 an accelerated acquisition strategy was adopted. Initial systems will be upgraded based largely on user feedback.

Electronic Warfare (EW) Systems. The Army is deploying a very capable set of ground vehicle and helicopter borne jammers to counter the enemy communications systems. These systems are all Very High Frequency (VHF) jammers with enormous potential to disrupt enemy maneuver operations. The Army also has an expendable jammer (EXJAM) program for use in specific scenario applications. The EXJAM devices may be hand-emplaced, artillery delivered or seeded by remotely piloted vehicles. The system offers many operational advantages. Minimum interference to friendly communications and electronics systems will result from low transmitting power and deployment of the devices beyond the forward line of troops. Friendly locations will not be compromised by the jammers. Expendable jammers are a very cost-effective way to achieve a jamming capability for the Army.

Sense and Destroy Armor (SADARM) Smart Munitions. The Army currently has no fire-and-forget munitions for antiarmor use by artillery weapon systems. The development of sense and destroy armor munitions will provide the first fire-and-forget, day/night, antiarmor capability which will be relatively immune to battlefield obscurants, countermeasures and weather conditions. The SADARM concept employs improved sensing submunitions which are ejected from a standard artillery projectile over an area containing armored targets. Each submunition descends on a parachute which enables a sensor to search the target area as it descends. When a target is detected, the warhead fires a kinetic energy penetrator at the top of the target. SADARM munitions for the 8-inch artillery system will enter engineering development in FY 85. SADARM munitions for the 155-millimeter howitzer are in advanced development.

INDIRECT-FIRED ANTI-ARMOR SADARM PROVIDES LOW—COST AREA COVERAGE

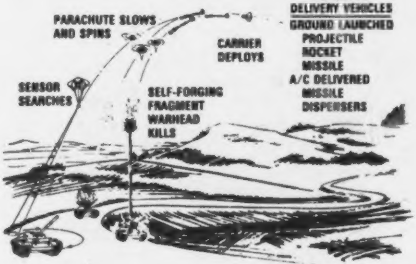


TABLE 4.1

MANAGEMENT INITIATIVES

Assistant Chief of Staff for Command and Control Information Management (ACSCCIM)/ U.S. Army Command and Control Information Management Command (USACCIMC). The Army has traditionally practiced decentralized management of the various technologies in the information field. Management has focused on information technologies, e.g., computers, word processors and laser printers, rather than on information itself.

In June 1983, a new Assistant Chief of Staff for Command and Control Information Management and a new field command, the Army Command and Control Information Management Command (USACCIMC), were approved.

ACSCCIM is designed to improve the management, quality, and flow of information throughout the Army. It is also intended to integrate fully all information functions, including command and control, communications, automation, administration, and information resource management. Additionally, it will provide improved information support for major Army commands and the Army Staff.

The USACCIMC will provide a centralized integrated approach for operating the resources and technologies dealing with all of the information sciences support for the Army worldwide. The USACCIMC will initially be formed with two major subcommands: one for automation - Army Automation Command incorporating the current Computer Systems Command at Fort Belvoir, Virginia; the other for communications, incorporating the current Army Communications Command at Fort Huachuca, Arizona.

Long Range Research, Development and Acquisition Plan. The Long Range Research, Development and Acquisition Plan is the baseline for research, development and acquisition program building and is the primary instrument available in the Army to stabilize the materiel acquisition process. Long Range Research, Development and Acquisition planning provides for input from the Army requirements community and from the Army development community. Annually, a Total Army review is made to update the plan to reflect management goals, the current evaluation of the threat, the future environment, and the current concept of operations. Affordability considerations are made based on The Army Plan, Defense Guidance, and the established prioritization process.

Quality Assurance. A number of actions have been initiated to strengthen the Army's quality assurance program while giving firm notice to industry to improve its quality controls. The basic approach is to get smarter on contracting and tougher on contract enforcement, particularly during early development and initial production. Among the Army initiatives is a recurring system of reviews by contractor assessment teams of technical and management experts. These teams have visited production facilities to assess contractor performance. The Army has also established a senior executive level orientation program and will require additional formal training for all quality assurance personnel.

The Army has a comprehensive warranty program which also serves to improve the quality and performance of the equipment purchased. The program is a flexible one which provides for the individual assessment of each new weapon system to determine the best type of warranty to pursue, the costs, and the impact on readiness and units in the field. Warranties, if appropriate, are tailored to provide maximum payoff at least cost. Last year's congressional directive on warranties is currently being reviewed by the Army and DOD to develop the guidance necessary to assure the continuation of a flexible and effective program.

Computer Standardization. The proliferation of computers in Battlefield Automated Systems (BAS) has resulted in unacceptable high operation and support costs. Studies found that for 92 Army systems, there are 57 different computers from 29 different manufacturers. To combat this problem, the Army is developing the Military Computer Family to reduce computer proliferation in all Battlefield Automated Systems and in their automated support systems. The standardization benefits for BAS will include a reduction in logistical support costs, an increase in availability, an enhancement in survivability, and an increase in the commander's flexibility. Since the Military Computer Family will be designed for upward compatibility, current technology can be meshed with evolving technology to ensure our computer requirements are fulfilled in the 1990's and beyond.

STRUCTURING THE FORCE

The Army must have flexible forces, readily tailored to meet one or more simultaneous events and strategically deployable for global responses in hostile environments anywhere along the spectrum of conflict.

The force structure changes programed for FY 85 fully support the Army's priorities of readiness, modernization, sustainability, and deployability. Programed improvements for FY 85 include unit reorganization and modernization; conversion of heavy divisions in Europe to refined Division 86 unit designs, conversion of a CONUS infantry division to a new light division design and activation of a new light infantry division; increase unit readiness and reduce hollowness (increase the authorized level of manning in tactical support units); enhance the capability of Special Operations Forces (increase manning); improve command and control (activate one area signal company); and improve combat service support (activate two ammunition, one fuel truck, one fuel supply, one LACV-30, and one heavy equipment maintenance company).

Reserve Components will continue their conversion to Division 86 unit designs, resulting in an increase of ten armor companies, six mechanized infantry companies, and one armored cavalry squadron. Also, 600 active full-time manning spaces are scheduled to be replaced by Active Guard/Reserve (AGR) spaces in the Army National Guard by the end of FY 85. Force trade-offs have included transfer of missions and equipment to the Reserve Components, conversion of military spaces to civilian, and inactivation of selected battalion-size units. These trade-offs have been necessary to minimize the size of the FY 85 end strength. Specific force structure changes are discussed in detail below.

LIGHT INFANTRY DIVISION

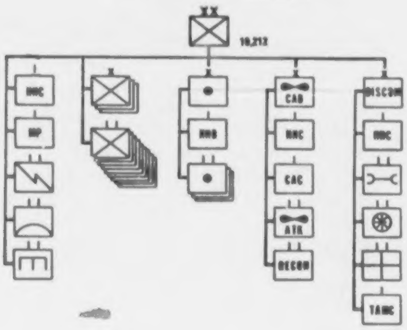


TABLE 4.2

Light Infantry Divisions. On 21 October 1983, the Army approved the concept for a new 10,000 man light infantry division. The basic design is shown in Table 4.2.

The division is designed with the following parameters and roles: an elite hard hitting, light infantry force; high ratio of combat power to overall strength, with a high leader-to-led ratio; designed as a highly deployable strategic reserve, capable of deterring or fighting in any region; and strategically mobile (deployable in 400 - 500 C141 sorties or about one-third of what other light divisions now require). Such a force, rapidly deployed in the first days of a crisis, could defuse the crisis thus precluding the deployment of a much larger force later.

The Army intends to start conversion of one of its infantry divisions to this design in FY 85, followed by formation or conversion of more of these elite infantry divisions as soon thereafter as appropriate. There are no plans to convert Army National Guard divisions to the new light division configuration. However, activation of a division in the Army National Guard under the new light division configuration is planned in the near future.

Division 86 - Current Status. The Division 86 design changes and equipment fieldings have only just begun but are on schedule in their transition to Army 90. Both capitalize on force modernization multipliers that are comparatively low in cost yet high in the combat leverage required for an Army of Excellence.

CONUS and USAREUR forces began transitioning to Division 86 in FY 83 and are scheduled to complete their transition by 4th quarter, FY 86. Reserve Component units began in FY 83 and are scheduled to be completed by the end of FY 89. Reserve Component roundout units transition simultaneously with their Active Component units. Highlights of divisional design changes are:

- Tank and infantry companies per battalion increase from 3 to 4.

- Armor divisions contain 6 tank battalions and 4 mechanized infantry battalions.

- Mechanized infantry divisions contain 5 tank battalions and 5 mechanized infantry battalions.

- Artillery pieces increase from 66 to 72. An MLRS battery is added.

- All aviation assets are contained in the cavalry brigade (air attack).

- Air defense battalion gun systems increase from 24 Vulcan to 36 SGT York.

- NBC defense is enhanced and smoke-generating capability added.

- Size of full TOE divisions: Armor - 16,300; Infantry (Mechanized) - 16,600.

Placement of modernized equipment for Active and Reserve Component units began in FY 83 in both CONUS and Europe. Major items of equipment will continue to be fielded thru FY 92 with the preponderance completed between FY's 84-89. Highlights of the equipment fielding are:

- Bradley Fighting Vehicle to units started in FY 83.

- M1 tank to units starting in FY 81; M1E1 starting in FY 86.

- Multiple Launch Rocket System in USAREUR in FY 83.

- SGT York Air Defense Gun to units starting in FY 85.

- AH-1S Cobra fielded in FY 83 with eventual placement of AH-64 Apache to corps units in FY 85.

- UH-60 Black Hawk replacement began in FY 79.

The improvement of operationally effective units through modernization is the Division 86 commitment to tomorrow's Army of Excellence.

Special Operations Forces. On 2 June 1982, the Army started an extensive program to improve the readiness and capabilities of its Special Operations Forces (SOF). These Special Operations Forces include Special Forces, Ranger, PSYOP and Civil Affairs units. The goal of the program is to improve all SOF units through complementary improvements in organization, force structure, and doctrine. The current force still does not meet total SOF requirements. The addition of a Special Forces group to the force structure in FY 84 will provide the Total Army with four Active and four Reserve Component Special Forces groups. The new Special Forces group will help reduce the multiple taskings for SOF supporting contingency plans. Additional SOF aviation assets, improved authorized levels of organization, and increased staffing for Headquarters, 1st Special Operations Command (SOCOM) are some of the major enhancements sought in the FY 85 budget.

Changes in NATO Structure. The number of Army soldiers stationed in Europe was reduced by about 9,000 from FY 83 to comply with a congressionally imposed troop ceiling. This personnel reduction resulted in undermanning and degraded readiness in certain combat units. To preclude continued undermanning, the force structure has been reduced to the level of the FY 84 ceiling. Over these two years, high priority modernization and other force improvement programs have been initiated only by trading off existing force structure - to include eliminating a combat brigade.

Maintaining FY 84 Army strength in Europe in FY 85 is key to the continued implementation of many modernization and readiness improvements including: transition of heavy division units to new designs (Division 86), fielding of major weapon systems (Multiple Launch Rocket System, modernized nuclear weapons, Bradley Fighting Vehicle, SGT York Air Defense System), and improved levels of manning in critical units. These improvements are essential to the maintenance of a credible deterrent, backed by a properly organized force equipped with weapons systems representing current technology, and capable of sustained operations.

Reserve Component Management Revisions. The Army has begun implementation of a major reorganization of the FORSCOM Reserve Component management structure. This reorganization is designed to eliminate a layer of supervision, and provide increased responsibility to the Army National Guard and Army Reserve as their role in national defense continues to grow. This program will eliminate nine Army Readiness and Mobilization Regions and establish two additional Continental Armies. Headquarters, Army Readiness and Mobilization Region IV was discontinued and Headquarters, Second U.S. Army organized on 1 October 1983. The remaining structural changes will be completed by 30 September 1985.

The U.S. Army Reserve units activated under FY 85 USAR

Troop Action Guidance will enhance the Army's combat service support capability in critical areas of conventional ammunition supply, water production and storage, chemical decontamination, communications and medical support. Additionally, this program includes 10 unit activations which will accept the missions and equipment sets of inactivating Active Component units. This action increases the USAR's number of roundout units and reflects its expanded role in the Total Army. Programed reorganization actions will result in the modernization of USAR unit structures to align them more appropriately with revised Army doctrine.

Additionally, the Army Reserve Personnel Center will be established in early 1984. This agency will enhance the executive role of the Chief, Army Reserve by giving him responsibility for the management of the Individual Ready Reserve, Individual Mobilization Augmentees, and Army Reserve Active Guard/Reserve personnel.

Activation of National Guard Heavy Division. The U.S. Army will form a new mechanized infantry division in the Army National Guard beginning in FY 84. The new division, the 35th Infantry Division (Mechanized), will be the ninth Army National Guard combat division, increasing the number of Total Army combat divisions to 26 in FY 85.

The 35th Infantry Division (Mechanized) will be organized with some subordinate organizations not programed to activate for several years. Divisional organization will follow Division 86 force structure design.

Three Army National Guard separate brigades will form the nucleus of the division. These brigades are the 67th Mechanized (Nebraska), the 69th Mechanized (Kansas), and the 149th Armored (Kentucky). The remainder of the division will be formed either by new unit activations or by conversions of existing units. In addition to Kansas, Kentucky and Nebraska, the States of Missouri and Colorado will also provide units for the new division.

Logistics Force Structure. In view of current logistics force shortfalls, recent approval of the light division concept and the thrust to increase combat force structure within a fixed total end strength, the Army must modernize and reshape its logistics force structure with the aims of doing more with less while increasing the combat to support ratio . The reshaping of logistics is being accomplished in three ways. First, the Army is looking at ways to do the current job better. Modern technologies and innovative management techniques are being explored to enhance the productivity of logistics units. The Tactical Organization Paperless Service Support System (TACOPS), Battelfield Robotics and LOGMARS are examples of programs being developed and explored to help do the logistics job better.

Reducing the logistics requirement itself is a second way to reshape the logistics force structure. By modernizing support systems and becoming more efficient, the logistics force requirement can be reduced. Repair parts companies, command and control headquarters, and water and petroleum organizations are some of the units being examined for streamlining, space reduction or elimination.

The third way to reshape is to exploit opportunities offered by external support. Here the Army is looking at such things as expanded host nation support, increased support from other services, commercial activities and the Logistics Civil Augmentation Program (LOGCAP). A wealth of external support sources exist outside the Army.

Significant changes are being made in the logistics force now and in the next few years to keep pace with other evolving changes in the Army. The overriding goal will always be to ensure the Army has the vitally important logistics capability to support itself in all contingencies.

Host Nation Support. The Army is short Active force support units currently needed at the onset of hostilities to support a global scenario. Forward deployed and reinforcing forces rely heavily on host nation support for force sustainment. Negotiations are underway with many nations to obtain host nation support or to expand existing agreements.

However, host nation support will not be sufficient to offset all of the support shortfalls for a global war. Moreover, host nation support from one region cannot be moved to another region. Therefore, the Army still requires a nucleus of tactical support units and a logistics network extending forward from the U.S. A minimum unilateral U.S. support capability must be maintained in addition to host nation support.

USCENTCOM. The Army continues to commit significant resources to improve Central Command's capability to accomplish its mission in Southwest Asia. Since our peacetime presence is limited, we have undertaken to improve our capability to project forces rapidly into this vital region while ensuring their sustainment in any subsequent combat. The Army's budget request includes additional prepositioning of equipment aboard Navy ships, providing an enhanced command and control capability and improving our capability to load and offload sealift as it arrives in theater. Furthermore, the Army's request seeks to increase both our staging capability and the number of combat support and combat service support units available to USCENTCOM. In sum, our efforts are aimed at providing USCENTCOM with the Army forces and equipment necessary to carry out U.S. interests in that part of the globe. Failure to support the Army's program fully may degrade U. S. capability to protect its interests in this vital area.

Chemical Warfare Force Structure. The Army's chemical force structure is based on the doctrine of avoiding contamination to the maximum extent possible, protecting our forces, and decontaminating when necessary. The FY 85 budget provides for activation of two Active and one Reserve chemical companies, two Active battalion headquarters detachments, and one Reserve group headquarters detachment for command and control.

SECTION V: SUMMARY - Budget Assessment

We are proud of the Army's significant accomplishments cited in the preceding sections of this statement. We are optimistic that our FY 85 budget request will produce further essential improvements in the Army's readiness posture. To that end, the FY 85 budget request supports improvements and initiatives which will ready the Army to react fully and flexibly to divergent worldwide threats to our national interests. This is not to say, however, that the budget request is a panacea. On the contrary, specific areas where the FY 85 budget falls short are enumerated in Annex A. An examination of the budget request in terms of specific readiness objectives is provided below.

Since the Army depends on people to accomplish its mission, our first budget objective is manning the Total Army with sufficient numbers of competent people to accomplish the Army's mission. The resources requested to support the Army's manpower requirements are designed to carry on the recruiting and retention successes experienced in FY 83. In view of the sophisticated equipment scheduled to enter the force during the next five years, the accession of quality soldiers is essential. Dollar resources are provided to support an Active military end strength of 780,800 as well as continued growth of the Reserve Components.

Our second budget objective is training. The resources requested to support the training mission will help build and sustain a flexible and ready force prepared to go to war and win. The FY 85 budget primarily builds on existing training programs and continues several major initiatives aimed at improving the training effectiveness of Today's Army. Improvements are made to both officer and noncommissioned officer education systems, and sufficient resources are provided to sustain increases to Active and Reserve Component officer aviation training rates. Dollar and manpower resources are provided to support the integration of a multitude of new equipment and weapon systems into the Army's individual training programs. In addition, funding is provided for continued development of the National Training Center and to support training for 28 battalion task force rotations.

To improve the Army National Guard and Army Reserve units supporting USCENTCOM, the FY 85 budget includes funds for the assignment of additional full-time soldiers, additional drill periods, and other improvements for combat support/service support units.

While our third objective is to modernize the Total Army, we must ensure that modernization of the Active Force has positive effects on the Reserve

Components. The FY 85 Total Army will retain a force of 26 combat divisions. In FY 85, 16 battalions will be modernized as a result of major weapon system changes. The modernized battalions result from the introduction of: UH-60 Black Hawk helicopters to three combat aviation battalions; Bradley Fighting Vehicles to three mechanized infantry battalions; the Multiple Launch Rocket System (MLRS) to two 8-inch field artillery battalions (which will become composite 8-inch MLRS battalions); and the M1 Abrams tank to four armored battalions and four armored cavalry squadrons.

The FY 85 budget attempts to balance weapons and equipment modernization with the need to maintain force readiness by eliminating shortages in existing equipment. The FY 85 budget devotes $22.3 billion to the research, development, testing and evaluation, and acquisition of critical new force multipliers.

The nuclear, biological and chemical defense readiness posture will be improved by funding individual chemical defense equipment, biological and chemical detecting devices, and decontamination equipment. Funds are also included for procurement of critically short combat service support equipment such as fuel and ammmunition vehicles, material-handling equipment, mobile automatic data processing equipment and generators. Despite the magnitude of the budget, major shortages still exist for supporting systems and equipment to include: battlefield recovery, ammunition handling and distribution, petroleum distribution and war reserve stocks.

Our fourth budget objective addresses the need to equip, mobilize and deploy a force of sufficient size in a timely manner to influence the early stages of conflict. Individual clothing and equipment required for mobilization training base expansion continues to be funded in FY 85, moving the Army gradually toward the capability to outfit all of its trainees during the first 90 days of mobilization.

The FY 85 budget also includes funding for layaway and maintenance of reserve standby industrial facilities which are critical to wartime production.

While some progress has been made in improving the posture of war reserve stocks, much more needs to be done. Because the industrial base is incapable of significant contribution in the early phases of an emergency, it cannot be considered a substitute for our war reserves. Therefore, the FY 85 budget provides for additional days of supply of major and secondary items and ammunition.

Finally, we are continuing the progress made towards improving the quality of life of soldiers and their families. Quality of life issues have a direct impact on readiness and on the commitment of soldiers to an Army career. Quality of life categories include housing, both barracks and family quarters; facilities operations and maintenance; education opportunities; family and religious needs; community/morale, welfare, and recreation services; and health care facilities. The FY 1985 budget includes funding for barracks construction and modernization, and facilities maintenance projects, especially in Europe. The FY 85 budget request for quality of life issues includes $1.5 billion for repair and maintenance of facilities. Funding of the FY 85 budget request will enable us to maintain previous improvements made in the living and working conditions of our soldiers and their families.

ANNEX A: BUDGET OVERVIEW

Guaranteeing the security of our Nation and ensuring our continued freedom to prosper requires a strong national defense. We need strong military forces adequately equipped and trained to support our policy objectives and defend our worldwide interests. In the face of declining defense budgets during the 1970's, our military capabilities were seriously eroded. As a result, we must spend more today to revitalize them. While we are not weak relative to the potential demands, our capabilities fall severely short.

The Army faces particularly serious problems in bringing its combat strength up to desired levels. Force levels are too low to meet the multiple demands of our national strategy and ground combat unit equipment must continue to be modernized. Correcting these problems will require that the real growth we achieved in the Army's budgets for FYs 81-84 be sustained in FY 85 and the years ahead.

With the needed budget increases coming at a time when the growth in spending for other national programs must be reduced (Table 6.1), it is especially important that we understand why continued defense spending increases are necessary. The downturn in defense spending over the last decade and a half, coupled with unfaltering qualitative and quantitative Soviet defense improvements have seriously eroded our capabilities and rendered our forces inadequate to meet the potential demands for their use. However, the additional resources provided in FY 81 - 84 budgets have begun to remedy our most serious deficiencies, and the budget we have proposed for FY 85 will ensure that our rebuilding effort stays on track. Our soldiers, who must risk their lives for our country, are just beginning to get the advanced equipment they deserve. In turn, we are giving them the training and field exercises essential to increase their proficiency.

FEDERAL BUDGET OUTLAYS

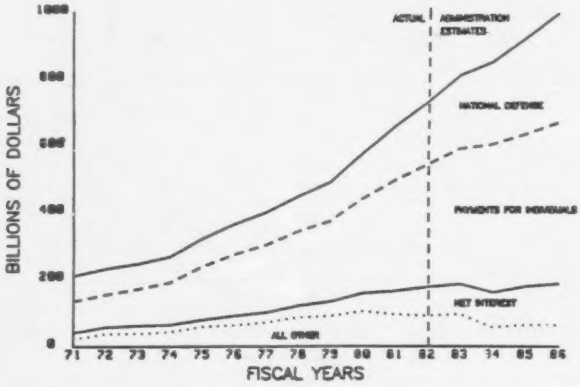
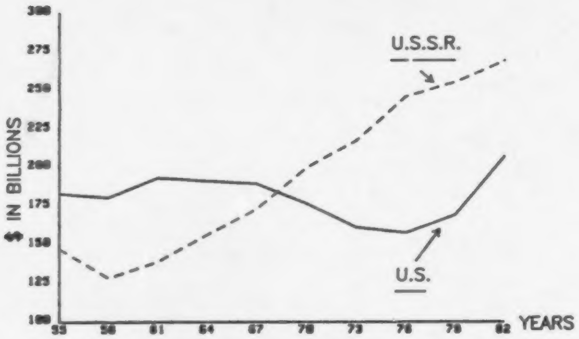


TABLE 6.1

THE SOVIET UNION HAS CREATED AN IMPOSING MILITARY FORCE

Defense Spending Trends. While we were cutting back our military budgets, the Soviets were increasing their defense effort. Soviet defense expenditures are difficult to measure. Our best evidence suggests, however, that the sustained Soviet build-up we have witnessed over the last decade had its roots in the cold war period of the late 1950's. Shortly thereafter, U.S. spending on its worldwide-deployed forces began a decade-long decline, interrupted only by the temporary upturn during the Vietnam years. The estimated dollar cost of Soviet military activities in 1982 was about 30 percent greater than the comparable defined U.S. outlays for that year. Thus, the Soviets currently allocate an estimated 15 percent of their GNP to defense. Table 6.2 displays this trend very clearly.

*COMPARISON OF DEFENSE OUTLAYS
(CONSTANT FY85 DOLLARS)



NOTE: * Soviet Outlays Estimated in Equivalent Dollars
** U.S. Without South–East Asia

TABLE 6.2

The large spending gap that resulted has created a significant imbalance in combat capability. For example, between 1978 and 1982 the Soviets and their Warsaw Pact allies produced more than three times as many tanks, and fourteen times as many artillery and rocket launchers as the United States. Table 6.3 shows the magnitude of average annual Soviet production as compared to our FY 85 request.

A COMPARISON OF AVG ANNUAL SOVIET PRODUCTION & FY 1985 U.S. REQUESTS

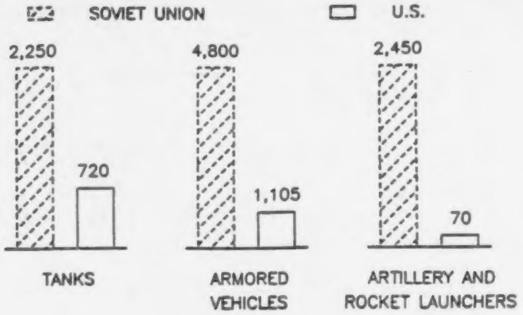


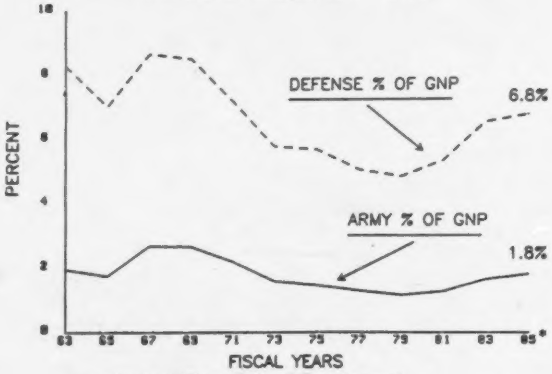
TABLE 6.3

THE BUDGET INCREASES OF FY 1985

Defense. The overall level of the Defense Budget must be viewed both in terms of the threat facing our nation and in terms of the resulting burden on the economy. Although the budget request for FY 85 is substantial in absolute terms, it places a modest burden on the economy when viewed historically. During the 1950's and 1960's, Defense spending averaged about 8% of GNP (Table 6.4). By 1980, the Defense budget was only 5% of GNP. The FY 85 request is 6.8% of GNP.

Army. In FY 81, the total Army budget accounted for about 1.3 percent of the GNP. The Army's budget request for FY 85 reflects a 1.8 percent share of GNP (1.6 percent excluding Military Retired Pay Accrual). The Army's share of the GNP is no higher today than it has been in previous post war periods. While the real growth increases provided in FY 81 through 84 have accelerated that trend, they cannot offset the erosion of the previous decade. We will need to sustain that momentum in FY 85 and the years ahead if we are to correct our remaining deficiencies and regain the combat capability needed to match our national strategy.

DEFENSE/ARMY OUTLAYS AS A PERCENTAGE OF GNP



* Includes Military Retired Pay Accrual

TABLE 6.4

BUDGET HIGHLIGHTS

This budget capitalizes on force multipliers that are comparatively low in cost yet high in combat leverage. We seek to augment muscle with agility by:

- Activating a 17th Army Divsion to new light division design without increasing the Active Army end strength.

- Continuing formation of a 9th Army National Guard Division.

- Continuing transfer of Active Component missions to Reserve Component (roundout battalion for 1 heavy division, increased full-time manning in reserve component).

- Continuing conversion of an infantry divsion to new light division design.

- Continuing the experimental high-tech motorized division.

- Continuing conversion of 10 heavy divisions to Division 86 design.

- Improving readiness through increased manning levels and quality of the soldier:
    - -- Raise Army National Guard end strength from 433K to 447K.
    - -- Raise Army Reserve end strength from 278K to 298K.
    - -- Hold Active Army end strength approximately to FY 84 level, while continuing the increase in accessing high quality non-prior service personnel in the Active Army, Army National Guard, and Army Reserve.
    - -- Increase enlistment and reenlistment bonuses as unemployment falls and youth population declines.
    - -- Provide additional primary and basic technical courses for non-commissioned officers.
    - -- Provide resources for expanded officer basic courses and the combined arms services staff school.

- Maximizing the use of state-of-the art, high technology systems.

- Increasing readiness through modernization:
    - -- M1 Abrams Tank
    - -- M2/M3 Bradley Fighting Vehicles
    - -- AH-64 Apache Helicopter
    - -- SGT York (DIVAD) Gun
- Improving the Army National Guard and Army Reserve equipment status.

- Using more Host Nation Support.

Today, the Army is much more capable of meeting potential requirements than it was in 1980. The budget increases provided in FY 81 through 84 accelerated programs to eliminate decade-old deficiencies. Much remains to be done, however. If the increases requested for FY 85 are provided and if the momentum of improvement can be sustained, the capabilities of the Army can be aligned more closely with the demands of the national strategy. We also can have an Army that is housed and equipped commensurate with the high quality of the personnel now choosing an Army career.

APPROPRIATION OVERVIEW

The FY 85 Army budget is $77.9 billion in total obligational authority (TOA), which requires budget authority (BA) of $77.6 billion and outlays of $69.8 billion. The following table shows the FY 85 request in current and constant dollars in comparison with FY 84 and FY 83.

DEPARTMENT OF THE ARMY
BUDGET COMPARISON
($ in Billions)

CURRENT DOLLARS

	FY1983	FY1984	FY1985
TOA	57.6	62.6	77.9
BA	57.5	62.3	77.6
Outlays	51.5	55.8	69.8

CONSTANT FY 1985 PRICE

	FY1983	FY1984	83-84 REAL GROWTH	FY1985	84-85 * REAL GROWTH
TOA	62.8	65.5	4.4%	77.9	10.2%
BA	62.7	65.3	4.2%	77.6	10.2%
Outlays	56.0	58.5	4.5%	69.8	9.7%

* Real Growth excludes Retired Pay Accrual

TABLE 6.6

FY 83 totals represent actual obligations and expenditures. FY 84 data represents the current year budget as appropriated by Congress, $61.9 billion, plus a pay and program supplemental request of $.7 billion, and reprogramming actions that were submitted to Congress. The FY 85 request includes $74.4 billion before the Defense Subcommittee and $3.5 billion before the Military Construction Subcommittee.

Important Accounting Change in the FY 85 Budget - The Retired Pay, Defense appropriation from which retired members and survivors are currently paid will be discontinued beginning in FY 85. The FY 84 Defense Authorization Act (P.L.98-94) provides for the establishment of accrual accounting for the military retirement system effective October 1, 1984 (FY 85). The law requires that a new trust fund will be established from which payments to retired military members and their survivors will be paid. Trust fund assets will be generated from three sources; accrual costs from military pay accounts, unfunded liability amounts from the General Fund, and interest on the Trust Fund assets. Hence, military retired pay accrual becomes a part of the Army military personnel appropriation accounts (Active, National Guard, and Army Reserve) effective FY 85. This action increases the Army's budget by $6.7 billion dollars in FY 85, but does not add to military capability.

ARMY'S BUDGET MIX

The accounting change to include military retired pay accrual in the Army's military personnel appropriations has significantly changed the budget mix percentages for FY 85. In Table 6.5 below the Cost of Maintaining the Army chart shows the percentage of the Army budget including military retired pay followed by a comparison chart showing what those percentages would have been if military retired pay accrual was not included in the Army appropriations for FY 85.

The Army's FY 85 budget request continues the initiative started three years ago to modernize our forces. Military personnel accounts have decreased from 30 percent in FY 84 to 28 percent in FY 85. The 2 percent reduction in personnel is largely due to holding the active army end strength at the FY 84 level. Operation and maintenance accounts have decreased from 33 percent in FY 84 to 32 percent in FY 85. Investment accounts contain the majority of the increase. The FY 85 budget request increases this percent from 37 percent in FY 84 to 40 percent in FY 85. The 3 percent increase in investment is primarily directed towards improving readiness while modernizing our forces.

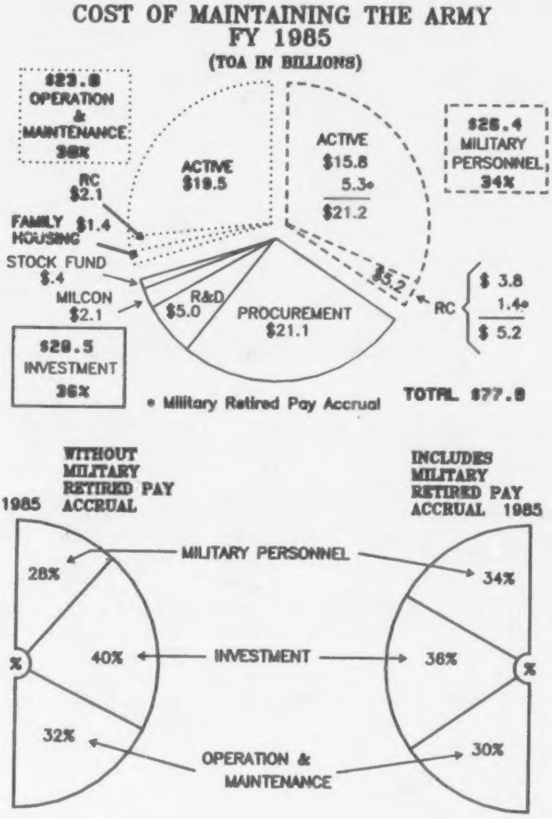


TABLE 6.5

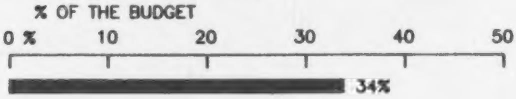
ARMY BUDGET
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Military Personnel:	17,515	18,753	26,432
Retired Pay Accrual	-	-	(6,714)
Military Personnel, Army	14,620	15,425	21,173
Retired Pay Accrual	-	-	(5,325)
National Guard Personnel, Army	1,673	1,933	3,075
Retired Pay Accrual	-	-	(828)
Reserve Personnel, Army	1,222	1,395	2,184
Retired Pay Accrual	-	-	(560)
Operation and Maintenance:	19,081	20,453	23,013
Operation & Maintenance, Army	16,149	17,335	19,487
Operation & Maintenance, Army National Guard	1,187	1,187	1,405
Operation & Maintenance, Army Reserve	705	692	715
National Board for the Promotion of Rifle Practice	1	1	1
Army Family Housing	1,039	1,238	1,405
Investment:	21,052	23,305	28,473
Procurement	15,909	17,350	21,060
Aircraft Procurement, Army	(2,498)	(3,273)	(4,008)
Missiles Procurement, Army	(2,683)	(2,824)	(3,442)
Weapons & Tracked Combat Vehicles Procurement, Army	(4,597)	(4,663)	(5,093)
Ammunition Procurement, Army	(2,124)	(1,940)	(2,494)
Other Procurement, Army	(4,007)	(4,650)	(6,022)
Research, Development, Test and Evaluation	3,895	4,259	4,987
Military Construction	1,026	1,306	2,059
Military Construction, Army	(930)	(1,184)	(1,900)
Military Construction, Army National Guard	(55)	(68)	(89)
Military Construction, Army Reserve	(42)	(55)	(70)
Stock Fund	221	389	366
Stock Fund War Reserves	(221)	(242)	(210)
Peacetime Stock Fund Inventories	-	(147)	(156)
TOTAL PROGRAM *	57,648	62,563 **	77,919

* Totals include Wildlife Conservation, Army
** Includes Summer Olympics, $50M
NOTE: Columns may not add due to rounding.

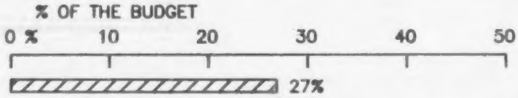
TABLE 6.7

MILITARY PERSONNEL -- $26.4 BILLION



Approximately 34% of the Army budget is allocated to military personnel. The military personnel accounts provide for pay, subsistence, other allowances, Retired Pay Accrual, and individual changes in duty stations for soldiers in the Active and Reserve Components.

Military Personnel, Army:



The FY 85 Military Personnel, Army (MPA) appropriation request is $21,173 million. Table 6.8 shows the Active Army military strengths and areas funded by the appropriation.

Active Component Manpower Program
(End Strength)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Officers	105,674	108,412	108,894
Enlisted	669,364	667,169	667,487
Cadets	4,605	4,419	4,419
Total	779,643	780,000	780,800

Military Personnel, Army
($ in Millions)

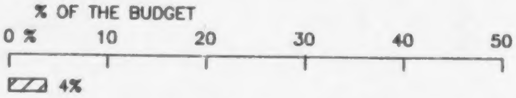
	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Pay and Allowances			
Officers	3,474	3,714	5,384
Enlisted	9,298	9,673	13,730
Cadets	32	33	32
Subsistence - Enlisted	897	981	999
Permanent Change of Station Travel	915	948	927
Other Military Personnel Costs	4	77	101
Total Program	14,620	15,425	21,173
Retired Pay Accrual	-	-	-5,325
Total Excluding Retired Pay Accrual	14,620	15,425	15,848

NOTE: Columns may not add due to rounding.

TABLE 6.8

The FY 85 request of $21.2 billion provides for slight increases in officer and enlisted strengths to support the approved Army force structure. The primary reason for the increased TOA of $5.7 billion over FY 84 is the inclusion of the Retired Pay Accrual Program ($5,325B). The budget includes increases for PCS initiatives to reduce out-of-pocket cost of service members when directed to move to a new station, and variable housing allowance funding to bring service members back to the original 15 percent rate of housing cost absorption. Discounting the increase for military retired pay accrual the budget growth in FY 85 current dollars is $.4 billion.

National Guard Personnel, Army:



The FY 85 National Guard Personnel, Army (NGPA) budget request of $3,075 million provides pay and related expenses for Army National Guard personnel. Table 6.9 shows Army National Guard personnel strengths and the NGPA budget categories.

US Army National Guard
(End Strength)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Pay Group A	377,486	386,315	389,773
Pay Group F	15,515	19,617	20,491
Pay Group P	10,420	10,436	10,436
Full-Time Active Duty	13,757	16,632	26,583
Total	417,178	433,000	447,283

National Guard Personnel, Army
($ in Millions)

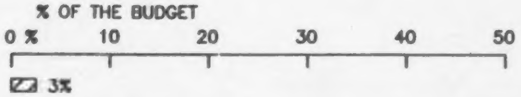
	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Pay Group A/P	996	1,070	1,599
Pay Group F	189	217	326
School Training	69	94	138
Special Training	58	80	122
Administration/Support	361	472	890
Total Program	1,673	1,933	3,075
Retired Pay Accrual	-	-	828
Total Excluding Retired Pay Accrual	1,633	1,933	2,247

TABLE 6.9

The FY 85 request supports a 447,283 personnel end strength or a 3.3% increase over FY 84. Funding includes a recruiting objective of 63,000 Non-Prior Service (NPS) personnel for initial active duty training and 47,000 Prior Service personnel for a total of 110,000 in FY 85. The full time Active

Guard support force increases to 26,583 (9,951 over FY 84). Funding for National Guard personnel supports increases in School and Special Training ($31 million), full-time support ($194 million), extra week annual training, additional training assemblies and an increase in strength of Pay Group A/P ($50 million). The Incentive Program, which provides enlistment and reenlistment bonus and educational assistance, amounts to $59 million. Pay Group F, which provides for initial active duty training, is increased by $33 million to provide costs associated with training the NPS accessions. FY 85 request includes $828 million for ARNG retired pay accrual.

Reserve Personnel, Army:



The FY 85 Reserve Personnel, Army (RPA) budget request is $2,184 million. Table 6.10 shows Army Reserve personnel strengths and Army Reserve budget categories.

Reserve Personnel, Army
(End Strength)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Paid Drill Strength	251,031	258,377	270,058
Active Duty Strength	7,033	9,022	15,027
Individual Mobilization Augmentees (IMA)	8,124	10,718	13,362
Total	266,188	278,117	298,447

Reserve Personnel, Army
($ in Millions)

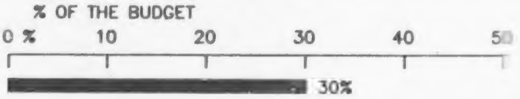
	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Pay Group A/P	628	671	993
Pay Group F	127	164	253
Pay Group D	14	19	29
School Training	44	64	98
Special Training	56	45	67
Mobilization Training (IRR)	54	54	89
Administration/Support	215	277	527
ROTC	69	88	115
Chaplain Candidate Program	0.7	0.7	0.9
Health Professions/ Scholarship Program	15	14	14
Total Program	1,222	1,395	2,184
Retired Pay Accrual	-	-	560
Total Excluding Retired Pay Accrual	1,222	1,395	1,624

NOTE: Columns may not add due to rounding.

TABLE 6.10

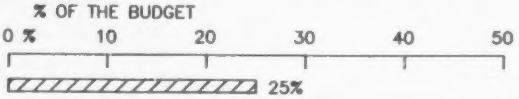
The FY 85 budget request will fully fund annual and inactive duty training at required (statutory) levels. In addition, it will fully fund the recruiting program and provide for an increase of 1,722 ROTC graduates. Funding will support an increase in AR Selected Reserve Average Strength of 16,600. Included in this increase are 4,211 AGR individuals of which 3,678 are Full-Time Manning personnel in direct support of unit readiness. In addition, this request provides for increases in School/Special/Mobilization Training which will decrease MOS mismatch and increase mobilization capability of IRR and Troop Program Unit members.

OPERATION AND MAINTENANCE -- $23.0 BILLION



Approximately 30 percent of the Army budget is allocated to Operation and Maintenance which provides for all operational activities to include: maintaining the near-term readiness of our units; supporting unit and individual training requirements; supporting recruiting, examining, and processing of the volunteer force; operating the logistical maintenance base; and operating the Army's supply system. Operation and maintenance funds also support the maintenance of facilities, pay the salaries of the civilian workforce, and contribute toward providing an adequate living and working environment.

Operation and Maintenance, Army:



The distribution of Operation and Maintenance, Army (OMA) by program is shown in Table 6.11.

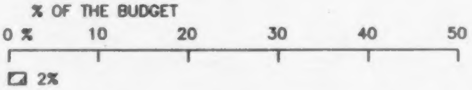
Budget Program
($ in Millions)

	FY83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
2 - General Purpose Forces	2,614	3,025	3,387
3 - Intelligence/Communications	826	938	1,113
7 - Central Supply	2,736	2,818	2,964
7 - Maintenance	1,770	1,857	2,272
7 - Environmental Restoration	-	-	98
8 - Training	841	918	1,080
8 - Medical	1,084	1,131	1,189
8 - Other	486	538	576
9 - Administration	799	857	931
10- Other Nations Support	88	99	206
11- Base Operations (-)	2,413	2,618	2,834
12- RPMA	2,492	2,536	2,837
Total Program	16,149	17,335	19,487

TABLE 6.11

The FY 85 request of $19.5 billion provides for the enhancement of near-term readiness of the existing force and maintains the capability to expand the force through mobilization. The supported force will consist of 17 Active divisions, 6 separate brigades, and 3 armored cavalry regiments. Training resources will provide for 28 battalion rotations through the National Training Center. The U.S. Army Communications Command will support U.S. and allied forces in 15 countries. This budget will finance the activities of 14 supply depots, 35 supply depot activities, 5 reserve storage activities, 6 accountable supply distribution centers, 29 command procurement offices, and 42 program management offices. Primary health care will be delivered through the operation of 50 hospitals and numerous separate dispensaries and health clinics. The budget supports active Army recruiting, advertising and examining activities; operation of reception stations; and other general personnel activities. Other Nation Support provides resources to fullfill Army responsibilities for U.S. financial contributions to international activities.

Operation and Maintenance, Army National Guard:



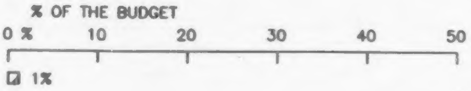
The funding categories of the FY 85 Operation and Maintenance, Army National Guard (OMARNG) appropriation are shown in Table 6.12. Real growth in FY 85 is approximately 14 percent and occurs as a result of programed force structure modernization, increased support for modernized systems (87) added to the ARNG equipment inventory since FY 83, and readiness improvements. In addition, this appropriation supports a technician and civilian end strength of 24,563 at a cost of $675.9 million which accounts for 48 percent of the total appropriation value.

Operation and Maintenance, ARNG
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Training Operations	152	154	160
Logistical Support	797	775	911
Base Operations	94	93	122
Depot Maintenance	56	54	82
Headquarters and Command Support	58	74	88
Recruiting	22	27	29
Medical Support	8	10	13
Total Program	1,187	1,187	1,405

TABLE 6.12

Operation and Maintenance, Army Reserve:



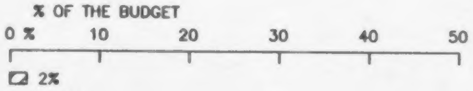
The FY 85 Operation and Maintenance, Army Reserve (OMAR) appropriation request (Table 6.13) reduces the program level by 1 percent in real terms. OMAR will provide increased funding for base operations, readiness, modernization, and force structure initiatives. The budget request will not fully fund all authorized stock fund equipment for all troop program units. The $1 million increase in BMAR does not fully fund annual recurring requirements but will slow growth in the BMAR backlog.

Operation and Maintenance, Army Reserve
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Training/Organization of Mission Forces	428	393	402
Depot Maintenance	8	9	9
Base Communications	14	15	16
Base Operations	184	192	202
Recruiting	34	37	40
Management Support	37	46	46
Total Program	705	692	715

TABLE 6.13

Army Family Housing:



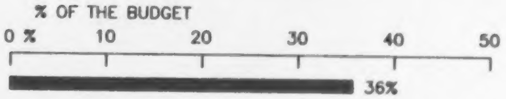
The Army Family Housing appropriation is shown in Table 6.14. Real growth is primarily in the leasing and operations and maintenance accounts. Funds provide for new construction at Sierra Army Depot, California and at Babenhausen and Mainz, Germany. The request will provide a program to upgrade substandard housing units ($11 million), renew existing inventory ($48 million), make partial improvements to current inventory ($31 million) and provide Energy Conservation Investment Program projects ($20 million). Additionally, the budget represents authorization for 19,500 leases which support the needs of forward deployed soldiers and provide housing for civilians living in Panama and Korea.

Army Family Housing
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
New Construction	21	66	34
Improvements	107	107	123
Operation & Maintenance	844	981	1,141
Leasing	67	84	107
Total Program	1,039	1,238	1,405

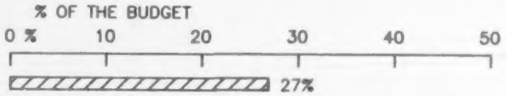
TABLE 6.14

INVESTMENT -- $31.2 BILLION



Approximately 36 percent of the FY 85 budget is requested for investment programs: procurement; research, development, test and evaluation; and military construction.

Procurement



The FY 85 procurement appropriation requests are shown in Table 6.15. They seek to balance procurement for near-term force readiness with long-term modernization needs.

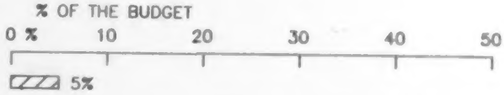
Procurement Overview
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Aircraft Procurement, Army	2,498	3,273	4,008
Missile Procurement, Army	2,683	2,824	3,442
Procurement of Weapons & Tracked Combat Vehicles, Army	4,597	4,663	5,093
Procurement of Ammunition, Army	2,124	1,940	2,494
Other Procurement, Army	4,007	4,650	6,022
Total Program	15,909	17,350	21,060

NOTE: Columns may not add due to rounding.

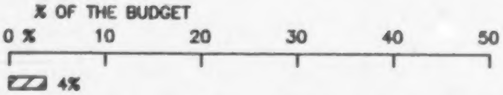
TABLE 6.15

Aircraft Procurement, Army:



This request will provide funds to procure: 144 APACHE (AH-64) aircraft; 78 BLACK HAWK (UH-60A) aircraft; 18 QUICK FIX II (EH-60A). Each of these procurements include spares and related long lead time engines and avionics equipment. It will also fund the modernization of CH-47D Chinook medium lift helicopters, the Army Helicopter Improvement Program (AHIP), modifications of other fielded aircraft, and support equipment and facilities.

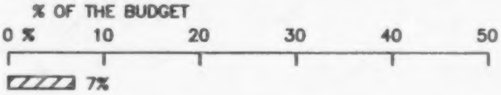
Missile Procurement, Army:



This account includes funds to procure: 585 Patriot missiles with 15 fire units; 2,360 Stinger missiles; 50,472 Multiple Launch Rockets with 44 launchers; 93 Pershing II missiles; and associated support equipment. The request also includes funds for modification of TOW II, HAWK, and Chaparral.

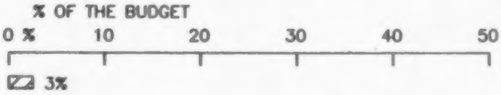
Funds are also included to procure air defense targets, to provide missile system support items, to improve the production base, and to obtain spares and repair parts for procurement and modification programs.

Procurement of Weapons and Tracked Combat Vehicles, Army:



This account funds continued procurement of the Abrams tank (720), 710 Bradley Fighting Vehicles, and their supporting systems. Procurement of Unit Conduct-Of-Fire Trainers for our armored vehicles is also included. Modification programs include the M113 armored personnel carrier family of vehicles, M60 tanks, and the M109 series 155mm self-propelled howitzer. FY 85 funds also procure the squad automatic weapon and spares and repair parts to support new systems and fielded equipment.

Procurement of Ammunition, Army:

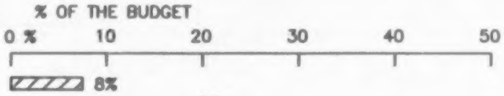


This account includes two major programs: ammunition hardware and production base support.

Funds for ammunition hardware provide for the Army's entire family of tanks; various types of 8-inch and 155mm artillery ammunition, mainly consisting of new improved conventional munitions, rocket-assisted projectiles, and artillery-delivered mines. Funding is also included for training ammunition and for procurement of the binary chemical round.

Ammunition production base support funds provide for modernization of existing World War II facilities and for expansion of the production base required to provide production capability for new modernized munitions

Other Procurement, Army:



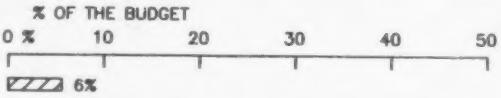
Other Procurement, Army (OPA) funds tactical and support vehicles, communications and electronics, and other support equipment.

Funds for tactical and support vehicles provide for 1,181 10-ton trucks to accomplish ammunition resupply, refueling and to support systems such as MLRS, Pershing II, Patriot and the SGT York gun. This request includes funds for 4,789 5-ton trucks which are required to fill unit shortages and to support systems such as the Abrams tank, BFVS, Patriot, and Tacfire. In addition, this request includes funds for 11,567 HMMWV's and 22,875 CUCV's which fill some unit shortages and support the fielding of new equipment.

The communications-electronic equipment constitutes close to 50 percent of the Other Procurement, Army appropriation request. Major equipment programs funded are the joint tactical communications program, combat support communications, satellite communications, automatic data processing equipment, tactical electronics, communications security and intelligence support.

The other support equipment category will procure a variety of construction items, material-handling equipment, generators, medical equipment and other items that increase our battlefield support capability. It also will provide replacement items for some peacetime losses of equipment in the current support equipment inventory.

Research, Development, Test and Evaluation



The major program areas of the Army FY 85 Research, Development, Test and Evaluation (RDTE) appropriation are shown in Table 6.16.

Research, Development, Test and Evaluation, Army
($ in Millions)

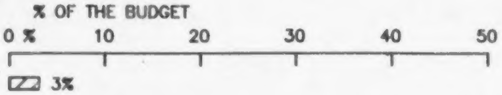
	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Technology Base	675	687	788
Advanced Technology Development	257	318	557
Strategic Programs	571	515	227
Tactical Programs	1,500	1,814	2,330
Intelligence and Communication	76	77	68
Defense-wide Mission Support	816	849	1,018
Total Program	3,895	4,259	4,987

NOTE: Columns may not add due to rounding.

TABLE 6.16

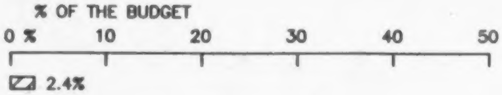
The growth in the technology base provides for keeping pace with expanding technology, prepares for new weapons options, and attempts to preclude technological surprise. The FY 85 RDTE Budget emphasizes five major areas: the continuation of the Army modernization program which includes the upgrade of fielded weapons systems through product improvement; the five technology thrusts; the High Technology Light Division and the Army Development and Employment Activity; target acquisition/deep attack capabilities; and, command, control, electronic warfare, and early warning systems. These programs will provide a modernized force over the long term and a technology and development base upon which we can continue to build a technologically superior Army to counter the growing threat and accomplish the Army's multiple missions.

Military Construction



This portion of the budget includes funds for construction to support operations and training, tactical and support maintenance, hospitals, other medical requirements, troop housing, and military community needs. Funds are also included for the planning and design of future programs, unspecified minor construction projects, energy conservation, and pollution abatement.

Military Construction, Army:



The FY 85 Military Construction, Army (MCA) appropriation request is shown in Table 6.17.

Military Construction, Army
($ in Millions)

Facility Category	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Operations & Training	132	216	381
Maintenance & Production	246	332	416
Research & Development	5	35	48
Supply & Administration	7	59	128
Hospital & Medical	55	23	165
Troop Housing/Community Support	206	283	338
Utilities/Land Improvement	104	125	191
Real Estate	0	4	10
Planning Design/Minor Construction	175	203	223
Other	0	-96	0
Total Program	930	1,184	1,900

TABLE 6.17

The FY 85 request of $1,900 million contains $1,866.5 million for major construction, $33 million for exigent minor construction, and $.5 million for access roads and other support. Approximately 31 percent is for construction overseas, primarily in Germany and Korea, 57 percent is for construction in the United States, the remaining 12 percent is for planning and design, exigent minor construction, and access roads. The FY 85 budget is dual driven by renewal of deteriorated and obsolete facilities and facilities to meet Army force structure and modernization initiatives. Highlights of this year's budget are:

- Investment of $1 billion is for rehabilitation and renewal of existing WWII, Korean quonset and deteriorating and obsolete German facilities.

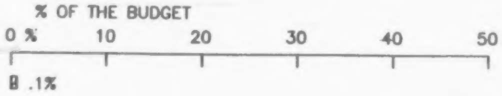
- Maintenance and production facilities include $315 million to modernize facilities to construct tactical equipment maintenance shops, aircraft maintenance hangars and maintenance division complexes in support of Division 86.

- Includes $215 million for operational facilities and $166 million for training facilities.

- Includes $165 million to provide quality health care through hospital and clinic renovation and renewal and completion of the final phase of Tripler Medical Center.

- Includes $277 million for unaccompanied housing and supporting facilities and $61 million for community facilities.

Military Construction, Army National Guard:



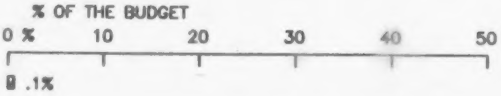
The FY 85 request for Military Construction, Army National Guard provides for 50 major projects. Included in the major projects are 27 armories, 6 aviation facilities, 4 training facilities, 9 equipment maintenance facilities, 3 U. S. property and fiscal office facilities, and one land acquisition. Table 6.18 displays the MCARNG appropriation by major category.

Military Construction, Army National Guard
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Armory	23	28	28
Non-armory	21	29	33
Minor Construction	8	8	19
Planning and Design	3	3	9
Total Program	55	68	89

TABLE 6.18

Military Construction, Army Reserve:



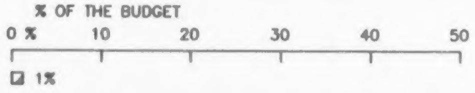
The FY 85 Military Construction, Army Reserve (MCAR) request of $70 million will provide for the major construction, minor construction, and the planning and design of Army Reserve facilities. Categories of major construction projects to be undertaken in FY 85 are 6 Reserve Centers, expansion of 24 existing facilities, and 2 multi-purpose field training sites. The FY 85 budget will modestly reduce the Military Construction, Army Reserve backlog to $850 million. Table 6.19 displays the MCAR appropriation by major category.

Military Construction, Army Reserve
($ in Millions)

	FY 83 ACTUAL	FY 84 ESTIMATE	FY 85 REQUEST
Major Construction	29	42	56
Minor Construction	4	5	6
Planning and Design	9	8	8
Total Program	42	55	70

TABLE 6.19

STOCK FUND -- $366 MILLION



Stock Fund War Reserves level of $210 million are for inventories of secondary items procured to satisfy wartime requirements from the time a conflict begins until the production base can directly satisfy consumption demands. These stock fund war reserve items are critical for support of the individual soldier as well as for major weapons systems. The FY 85 level will buy such commodities as Class IX repair parts, chemical defense equipment, cold weather clothing and medical/dental equipment, repair parts and supplies.

Peacetime Stock Fund Inventories level of $156 million provide repair parts needed to support weapons systems which will be introduced into the inventory in the near future as we modernize and transition to the Army of tomorrow.

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1985

TUESDAY, FEBRUARY 7, 1984

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

NAVY/MARINE CORPS PROGRAMS

The committee met in open session, pursuant to notice, at 10:03 a.m., in room SD–628, Dirksen Senate Office Building, Senator John Tower (chairman) presiding.

Members present: Senators Tower, Thurmond, Goldwater, Warner, Humphrey, Cohen, Jepsen, Quayle, Wilson, Nunn, Stennis, Exon, Levin, Kennedy, and Bingaman.

Staff present: Alan R. Yuspeh, general counsel; Arnold Punaro, staff director for the minority; Patrick A. Tucker, counsel; Brenda K. Hudson, assistant chief clerk; Gerald D. Strickler, printing and documents clerk; Douglas R. Graham, research assistant; L. Wayne Arny III, John G. Campbell, Michael B. Donley, Richard D. Finn, Jr., George K. Johnson, Jr., David S. Lyles, Bruce D. Porter, Carl M. Smith, Drew A. Harker, and Mark B. Robinson, professional staff members.

Also present: Ronald P. Kelly, assistant to Senator Humphrey; James H. Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Henry J. Steenstra and Steven E. Meyer, assistants to Senator Quayle; Mark J. Albrecht, assistant to Senator Wilson; Les Brownlee, assistant to to Senator Warner; Jerry Smith, assistant to Senator Goldwater; Francis J. Sullivan and Mary A. Shields, assistants to Senator Stennis; William S. Lind, assistant to Senator Hart; Jeff Subko, assistant to Senator Exon; Peter D. Lennon, assistant to Senator Levin; James Steinberg, assistant to Senator Kennedy; and Edward McGaffigan, Jr., assistant to Senator Bingaman.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

The committee meets this morning to receive testimony on the fiscal year 1985 budget request for the Navy and Marine Corps.

We are pleased to have with us John Lehman, the Secretary of the Navy; Admiral Jim Watkins, Chief of Naval Operations; and General P. X. Kelley, Commandant of the Marine Corps.

The Navy and Marine Corps considered together represent combat capability which spans virtually every defense mission—strategic deterrence, naval warfare, air/land warfare, and special forces. This has been highly evident over the past 6 months.

The Navy/Marine Corps team has played a central role in the pursuit of American foreign policy objectives in Grenada, Central America, and Lebanon. We are proud of the way in which our sailors and marines have performed in all of these operations.

The United States is economically an island nation. Thus, without access to our allies and to overseas sources of minerals and petroleum for our homes and industries, the standard of living we enjoy in this country would be altered dramatically. This access is assured by maintaining maritime supremacy.

The Congress has worked over the last several years to insure that supremacy by supporting a strong shipbuilding program, as we move toward a 600-ship Navy. A Navy of at least that size and capability is critical to our national security and our global interests.

Of course, we should also remember that even though we are building toward 600 ships, we must have a continued program of new ship construction annually to maintain the Navy at that size.

Though the budget decisions of the last 3 years have set the stage for new aircraft carriers, surface combatants, and submarines entering the fleet, we continue to be faced with a number of further fleet composition issues.

We will be interested in examining the request to build the lead ship of a new class of guided missile destroyers, the DDG–51 *Arleigh Burke* class. We will review the Navy's plans for development of a new class of attack submarine.

With respect to naval aviation, the further production of the A–6 aircraft is a continuing issue. We will review closely the modernization of the F–14 air superiority fighter.

We will also look carefully at the range of Marine programs, both ground and air, including light armored vehicles, V/STOL aircraft, and JVX.

Finally, we expect to give close attention to certain programs that have historically received smaller percentages of the budget—sealift, amphibious shipping, and mine warfare.

Secretary Lehman, the budget which you present this morning is the last of the first term of the Reagan Presidency. I think you deserve the highest congratulations on the outstanding job which you have done as Secretary of the Navy. You have provided imaginative and energetic leadership in building a Navy which will insure our maritime superiority into the 21st century.

At this point I would like to defer to Senator Stennis for any comments he may have at the outset.

Senator STENNIS. Mr. Chairman, Senator Nunn has prepared a statement for the hearing record. Without objection, I would like to submit that statement for him.

[The prepared statement of Senator Sam Nunn follows:]

PREPARED STATEMENT OF SENATOR NUNN

Mr. Chairman, I join you in welcoming Secretary Lehman, Admiral Watkins and General Kelley this morning.

In our recent posture hearing with Secretary Weinberger and General Vessey, and again in the other services' posture hearings I have, and will continue to, mention several areas which I feel the committee should be questioning the Defense Department about this year. I will continue to explore the questions of a credible military strategy based on realistically available resources, the results of the large increases in defense spending of the last three years, and what are the most important defense priorities toward which we should allocate the available resources.

I look forward to hearing the testimony of Secretary Lehman, Admiral Watkins, and General Kelley.

Senator STENNIS. Mr. Chairman, at this point I defer back to you so that you may proceed with the hearings. When it comes back to me I will have a few words. I am very interested in this program.

Chairman TOWER. Secretary Lehman, you may present your statement in its entirety or you may submit it in summary. We will incorporate any material you wish to supply for the record. You may proceed as you see fit.

We will hear first from Secretary Lehman, then Admiral Watkins and then General Kelley before we proceed to questions.

STATEMENT OF HON. JOHN F. LEHMAN, JR., SECRETARY OF THE NAVY

Secretary LEHMAN. Thank you, Mr. Chairman.

It is a great pleasure to be back for the fourth time to give a summary of the state of the Navy and Marine Corps and to outline for you the high points of the budget request that the President has submitted.

I will submit the full statement for the record and will summarize very briefly the major points in it.

First, a progress report on this naval recovery program that had its beginning here in this committee 4 years ago. There is a great deal of good news and, I think, historic solid accomplishment in reestablishing the maritime superiority that is so fundamental to the Nation's security.

First, I believe, we have the most coherent and solidly based strategy for our maritime objectives that we have ever had. It has been a very active process of refinement of this strategy in its application to our naval operations and Marine Corps operations around the world.

It is not theory, but it is rather strategy formed through day-to-day operations, tested in very extensive multinational exercises, refined by the war gaming and simulation and constant challenging that goes on during the year.

It is a solid strategy upon which our entire program has been and will be based in the future.

The accomplishments achieved in the personnel area over the last 3 years, accomplishments which had their origins in this committee 4 years ago in 1980, are, taken together, the most dramatic success in Government affairs that I have witnessed in my 15 years in this town.

The way the bipartisan fashioning of those pay and bonus initiatives was undertaken has been vindicated by the success they have brought about in every area of the Navy and the Marine Corps.

Never in 208 years, have we had such a quality force as we have today. Never, since we have been keeping statistics, have we had records broken as consistently as we have these past 3 years.

When I appeared before you 4 years ago I outlined a Navy that was only 91 percent manned, a Navy that had a 22,000 shortfall in trained petty officers.

Today we are 100-percent manned. Every bunk in ships in the fleet, a fleet that has grown by nearly 50 ships during those 3 years, is filled with the proper ratings. The 22,000 petty officers shortfall has dropped dramatically to only 9,000 and we expect it to disappear within this 5-year plan.

There is much to be proud of. In every speciality area the success of the bonus program—AOCP, the SRB program, nuclear bonuses—has been vindicated.

We have, after years in which the executive branch and Congress shared the blame for cutting readiness below that which was prudent, restored readiness to its No. 1 position. The results are truly dramatic. We have a fleet more ready to go, in harm's way than any other peacetime force.

Our aviation squadrons have grown in readiness some 16-percent overall even as the number of squadrons has grown.

Our ships have grown some 10 percent in overall readiness in the last 3 years and that accomplishment shows in the exercises and the operations that we run.

Spare parts are now in the system. Aircraft like the S–3 that went through the seventies at about a 30-percent mission-capable rate have not dropped below 70-percent mission capable.

Our aircraft carriers, which are forward deployed, almost never drop below 80-percent mission capability whereas they hovered around 60 percent just 3 years ago.

The money you have voted, the defense increases this committee has so effectively sponsored, have brought about much greater increases in readiness and capability than the mere increment of funding would have suggested.

Our sea-based nuclear deterrent force is proceeding along the course laid out 3 years ago. We have two Trident submarines now conducting deterrent patrols. We have a total of four. We delivered the latest one, the *Georgia*, 6 weeks ahead of schedule. We have the Trident II D–5 missile in full-scale development for a 1989 IOC. In short, the sea-based deterrent force is in a healthier position than it has ever been.

For the first time ever, we achieved 100 percent of our goal nuclear-trained officer accessions this past year.

In shipbuilding, we have completed another solid year of record-breaking contract performance, delivering a total of 21 ships, net below budget and ahead of schedule, the second year in a row that that has been the case. We have 118 ships under construction, the highest number at any time since the Second World War. The 600-ship Navy is now effectively accomplished.

The budget that we lay before you, the 5-year plan, deals primarily with replacement issues and the course the Navy will take in the nineties to sustain the 600-ship Navy that is now under construction.

With regard to weapons and ammunition, you are very familiar with the scandalous condition that all of our Armed Forces were in 3 years ago as a result of a decade of neglect.

It shocked even me to find that the 479 ships we had 3 years ago could not be loaded out even once. We could not fill the magazines of our ships even once.

Thanks to the funding increases voted by this committee in the early years of this Navy recovery these items are now arriving in the bins.

I was recently out to the 6th Fleet and, for the first time in anybody's memory, our carriers deployed out there, *Independence* and *Kennedy*, are literally loaded to the gunnels with every kind of threat munitions and missiles required for their mission. These are the readiest carriers we have deployed in years.

Last year, for the first time since the Vietnam war, we deployed eight carriers simultaneously, each with their full AVCAL, parts allowance, and support infrastructure. Just 3 years ago, it would have been impossible to deploy more than five carriers with their full AVCAL simultaneously. The bins are filling up. They will reach a prudent, balanced war-sustaining deterrent capability by 1989 just as the objective was set forth 3 years ago.

So, in short, we are on course. We have not, I am sure you will note, changed the song we sing before you one note in 3 years. The objectives remain the same because they are founded on our national commitments.

They are founded on commonsense. The successes of the procurement reforms that have been instituted have enabled us to maintain that building program, maintain that readiness priority, and maintain the funding levels needed to meet them despite cuts that have been made in recent budgets. However, I believe that if we are not able to sustain and get back to real growth in the Navy Department budget this year, that this tremendous turnaround will directly and swiftly be jeopardized.

I call to your attention the fact that when the final appropriation was passed this past year the Department of the Navy ended up with minus 6 percent real growth, heading downhill again.

Despite the perceptions of some commentary in the press, the Department of the Navy has had a steadily declining share of the Defense Department budget. We have declined steadily these past 5 years at a rate of minus 1.6-percent negative growth in percentage of the Department of Defense budget. So, it is not the Navy Department that is expanding at the expense of any other function of the Department of Defense. While we are on course, we urge you to continue that steady growth because the change in our ability to deter is enormous and of historic proportions.

Thank you, Mr. Chairman.

[The report by Secretary Lehman follows:]

A REPORT BY
THE HONORABLE JOHN LEHMAN
SECRETARY OF THE NAVY

BEFORE THE
SENATE ARMED SERVICES COMMITTEE
ON THE
FISCAL YEAR 1985 MILITARY POSTURE
AND
FISCAL YEAR 1985 BUDGET
OF THE UNITED STATES NAVY

7 FEBRUARY 1984

MR. CHAIRMAN, I WELCOME THIS OPPORTUNITY TO OFFER MY ASSESSMENT OF THE CURRENT POSTURE OF THE NAVY/MARINE CORPS TEAM FOR FISCAL YEAR 1984.

THREE YEARS AGO, THE PRESIDENT PRESENTED TO CONGRESS A PROGRAM TO ACHIEVE CLEAR MARITIME SUPERIORITY. AS THE PRESIDENT HAS PUT IT:

> "THOUGH THE SOVIET UNION IS HISTORICALLY A LAND-POWER, VIRTUALLY SELF-SUFFICIENT IN MINERAL AND ENERGY RESOURCES AND LAND LINKED TO EUROPE AND THE VAST STRETCHES OF ASIA, IT HAS CREATED A POWERFUL BLUE OCEAN NAVY THAT CANNOT BE JUSTIFIED BY ANY LEGITIMATE DEFENSE NEED. IT IS A NAVY BUILT FOR OFFENSIVE ACTION, TO CUT FREE WORLD SUPPLY LINES AND RENDER IMPOSSIBLE THE SUPPORT BY SEA OF FREE WORLD ALLIES. BY CONTRAST, THE UNITED STATES IS A NAVAL POWER BY NECESSITY, CRITICALLY DEPENDENT ON THE TRANSOCEANIC IMPORT OF VITAL STRATEGIC MATERIALS. OVER 90% OF OUR COMMERCE BETWEEN CONTINENTS MOVES IN SHIPS. FREEDOM TO USE THE SEAS IS OUR NATION'S LIFE BLOOD. FOR THAT REASON, OUR NAVY IS DESIGNED TO KEEP THE SEA LANES OPEN WORLD WIDE -- A FAR GREATER TASK THAN CLOSING THOSE SEA LANES AT STRATEGIC CHOKE-POINTS. MARITIME SUPERIORITY FOR US IS A NECESSITY. WE MUST BE ABLE IN TIME OF EMERGENCY TO VENTURE IN HARM'S WAY, CONTROLLING AIR, SURFACE AND SUBSURFACE AREAS TO ASSURE ACCESS TO ALL THE OCEANS OF THE WORLD. FAILURE TO DO SO WILL LEAVE THE CREDIBILITY OF OUR CONVENTIONAL DEFENSE FORCES IN DOUBT. WE ARE ... BUILDING A 600 SHIP FLEET INCLUDING 15 CARRIER BATTLEGROUPS."

AS THIS COMMITTEE WELL KNOWS, THIS EFFORT IS BUT ONE COMPONENT OF OUR NATIONAL DEFENSE STRATEGY. NEVERTHELESS, IT IS A FUNDAMENTAL REQUIREMENT NECESSARY FOR THE SUCCESS OF ANY NATIONAL STRATEGY.

YOU WILL RECALL THAT THE PROGRAM PUT BEFORE THE CONGRESS THREE YEARS AGO WAS SIMPLE AND WELL DEFINED. IT WAS BUILT UPON SEVEN ELEMENTS:

-- FIRST, A MORE REALISTIC STRATEGY FOR THE USE OF NAVY/MARINE CORPS FORCES TO MAXIMIZE THEIR DETERRENCE IN PEACETIME, AND TO PREVAIL IF DETERRENCE FAILS.

-- SECOND, THE RESTORATION OF THE QUALITY, TRAINING AND MORALE OF OUR PERSONNEL.

-- THIRD, THE RESTORATION OF THE READINESS OF THE NAVY AND MARINE CORPS THROUGH ADEQUATE MAINTENANCE, REPAIR, SPARE PARTS AND SUPPORT.

-- FOURTH, THE MODERNIZATION OF OUR SEA-BASED NUCLEAR DETERRENT, THE MOST SURVIVABLE AND ENDURING COMPONENT OF THE US STRATEGIC TRIAD.

-- FIFTH, THE ESTABLISHMENT OF A SHIPBUILDING REACTIVATION AND CONVERSION PROGRAM TO INCREASE THE FORCE WITH THE RIGHT KINDS OF SHIPS AND TO SAVE AN INDUSTRIAL BASE ON THE VERGE OF COLLAPSE.

-- SIXTH, TO ESTABLISH AN AIRCRAFT MODERNIZATION AND PROCUREMENT PROGRAM TO RESTORE AIRCRAFT NUMBERS AND QUALITY TO MEET OPERATIONAL REQUIREMENTS.

-- SEVENTH, TO BUILD UP STOCKS OF AMMUNITION AND MISSILES TO REALISTIC OBJECTIVES FOR SUSTAINING COMBAT.

PROGRESS REPORT

I AM PLEASED TO REPORT THAT OUR OBJECTIVES REMAIN THE SAME TODAY AS ORIGINALLY OUTLINED THREE YEARS AGO AND THAT THE NAVY AND THE

MARINES CORPS ARE ON COURSE AND ON SCHEDULE IN ACHIEVING THEM. IN FACT, WE ARE CONSIDERABLY FURTHER ALONG THAN IS GENERALLY RECOGNIZED. TAKING EACH OF THE SEVEN ELEMENTS IN TURN:

STRATEGY -- THE GLOBAL MARITIME STRATEGY SET FORWARD THREE YEARS AGO HAS BEEN CONTINUOUSLY REFINED AND APPLIED TO TRAINING, EXERCISING AND PROGRAMMING. IT IS OF COURSE DERIVED FROM SOME 40 TREATY RELATIONSHIPS AND A WEB OF RESOURCE, ENERGY, AND SECURITY DEPENDENCIES AND DICTATED BY THE NATURE OF THE SOVIET THREAT TO THE MARITIME LIFELINES OF THE FREE WORLD.

THE REFINEMENT AND APPLICATION OF OUR MARITIME STRATEGY HAS TAKEN PLACE IN A VERY EFFECTIVE PROCESS USING ANNUAL NAVY AND MARINE CORPS EXERCISES TO DEVELOP THEATER AND LOCAL TACTICAL MANEUVER OPTIONS; BY TESTING PARTICULAR REAL-WORLD HYPOTHESES IN WARGAMING AND SIMULATION, AND ABOVE ALL BY THE CONSTANT TESTING AND FEEDBACK WITH OUR DEPLOYED FORCES AND OPERATIONAL AND THEATER COMMANDERS. THE RESULT HAS BEEN A GROWING CONFIDENCE IN THE EFFECTIVENESS AND VALIDITY OF OUR MARITIME STRATEGY.

PERSONNEL -- THE PAST THREE YEARS HAVE SEEN THE MOST DRAMATIC CHANGE IN THE MANNING OF THE NAVY AND MARINE CORPS IN THE 208 YEARS OF OUR HISTORY. FROM THE WORST RETENTION AND RECRUITING IN POST-WAR HISTORY, WE HAVE RISEN TO THE HIGHEST FIGURES WE HAVE ACHIEVED SINCE WE HAVE BEEN KEEPING RECORDS. WE ARE MEETING 100% OF OUR RECRUITING GOALS, AND HAVE ACHIEVED 92% HIGH SCHOOL GRADUATES. IN VIRTUALLY EVERY CATEGORY, WE HAVE INCREASED RETENTION TO RECORD HIGHS, IN SKILLED ENLISTED RATINGS, IN PILOTS AND NFOS, IN NUCLEAR-TRAINED PERSONNEL, AND SURFACE WARFARE OFFICERS. FROM A SITUATION THREE YEARS AGO WHEN SOME OF OUR SHIPS COULD NOT DEPLOY ON SCHEDULE BECAUSE THE FLEET WAS MANNED AT ONLY 91%, WE ARE NOW AT 100% MANNING FOR A NAVY THAT HAS GROWN BY NEARLY 50 SHIPS. IN 1981, 13% OF SHIPS, 25% OF AIRCRAFT SQUADRONS WERE REPORTING THEMSELVES NOT COMBAT READY AS A RESULT OF PERSONNEL

SHORTAGES. TODAY THAT PERCENTAGE HAS DROPPED TO LESS THAN 1% AND 4% RESPECTIVELY, WITH ANY SHORTAGES REPORTED BEING REMEDIED IN VERY SHORT ORDER. THE PETTY OFFICER SHORTFALL, WHICH STOOD THREE YEARS AGO AT 22,000, HAS BEEN REDUCED NOW TO BELOW 9,000 AND WILL BE ELIMINATED BY 1988 IF CURRENT TRENDS CONTINUE.

THE REORGANIZATION OF THE NAVAL RESERVE TO A "HORIZONTAL INTEGRATION" HAS HAD THE EFFECT OF SHIFTING A SUBSTANTIAL PORTION OF OUR FORCE STRUCTURE MANNING TO THE READY RESERVE. A TOTAL OF 35 SHIPS OF THE 600 SHIP NAVY WILL BE MANNED BY SELECTED RESERVES, IN ADDITION TO THE AUGMENTATION OF ALL NAVAL UNITS BY SELECTED RESERVES UPON MOBILIZATION. THE FIFTEENTH ACTIVE CARRIER AIRWING HAS BEEN DELETED FROM THE PROGRAM AND THE FIFTEENTH CARRIER WILL BE MANNED BY A RESERVE AIRWING.

READINESS -- WILLIAM JAMES ONCE SAID THAT THE BEST PROPAGANDA FOR NAVAL FORCES IS THE NAKED EVENT. THE NAKED EVENTS OF RECENT MONTHS IN THE EASTERN MEDITERRANEAN, THE CARIBBEAN, AND IN UNPRECEDENTED LEVELS OF MULTI-CARRIER AND AMPHIBIOUS ATLANTIC AND PACIFIC EXERCISES HAVE ILLUSTRATED WHY THE NAVY AND MARINE CORPS HAVE KEPT THE READINESS OF EXISTING FORCES AT THE VERY TOP OF SPENDING PRIORITY. THE FLEET IS MORE READY TO GO IN HARM'S WAY THAN AT ANY TIME IN PEACETIME HISTORY. IN THE PAST THREE YEARS, SURFACE SHIP COMBAT READINESS HAS IMPROVED BY 14% AND AVIATION READINESS BY 24.2%. THREE YEARS AGO ONLY FIVE OF OUR TWELVE AIRCRAFT CARRIERS COULD BE DEPLOYED WITH THE REQUIRED AVIATION SPARE PARTS SUPPORT. DURING THE PAST YEAR WE HAVE HAD EIGHT OF OUR THIRTEEN CARRIERS SIMULTANEOUSLY DEPLOYED WITH THE REQUIRED SPARE PARTS SUPPORT.

SEABASED NUCLEAR DETERRENT -- THE MODERNIZATION OF OUR SEABASED LEG OF THE STRATEGIC DETERRENT IS PROCEEDING WELL. A TOTAL OF 11 TRIDENT SUBMARINES HAVE BEEN AUTHORIZED THROUGH FY 1984, AND THE PROBLEMS WHICH ONCE PLAGUED THE SHIPBUILDING PROGRAM ARE OVER. THE FIRST FOUR TRIDENT SUBMARINES HAVE BEEN DELIVERED. THE FOURTH, GEORGIA, DELIVERED LAST MONTH, SOME SIX WEEKS AHEAD OF THE CONTRACT DELIVERY DATE. REMAINING TRIDENT SUBMARINES UNDER CONSTRUCTION ARE AHEAD OF SCHEDULE AND ARE WITHIN OR BELOW BUDGET. TWO ARE CONDUCTING DETERRENT PATROLS AND THE THIRD IS MAKING FINAL PREPARATIONS FOR PATROL. THEIR PERFORMANCE HAS EXCEEDED ALL SIGNIFICANT DESIGN CRITERIA.

THE D-5 PROGRAM TO PROVIDE A MORE ACCURATE, LARGER PAYLOAD TRIDENT MISSILE IS ON SCHEDULE AND WITHIN BUDGET FOR A 1989 IOC.

IN THE MOST VITAL AREA OF STRATEGIC COMMAND AND CONTROL, THE ELF COMMUNICATIONS SYSTEM IS PARTIALLY OPERATIONAL AND THE TACAMO UPGRADE PROGRAM IS IN THE FINAL PLANNING STAGE.

SHIPBUILDING -- THREE YEARS AGO THE PRESIDENT SET A GOAL OF DOUBLING THE NAVAL SHIPBUILDING PROGRAM. WE HAVE MAINTAINED THAT AMBITIOUS GOAL AND WITH IT HAVE BROUGHT A NEW EFFICIENCY AND DISCIPLINE TO ITS MANAGEMENT, WHILE INCREASING THE PERCENTAGE OF SHIPS COMPETED FROM 26.3% IN FY 81 TO 86.4% IN FY 84. FROM THE 479 BATTLE FORCE SHIPS WHICH EXISTED WHEN PRESIDENT REAGAN TOOK OFFICE, THE FLEET WILL GROW TO 525 BY THE END OF FY84, 545 BY THE END OF FY85, AND 600 BY 1989. THERE ARE CURRENTLY 118 NAVAL SHIPS UNDER CONSTRUCTION OR CONVERSION FOR THE NAVY AT 19 DIFFERENT YARDS IN THE UNITED STATES. NEARLY ALL OF THE SHIPS IN THE FIVE-YEAR PLAN SUBMITTED WITH THIS BUDGET ARE TO MAINTAIN RATHER THAN BUILD TO THE 600 SHIP NAVY.

THE REAGAN GOAL OF DOUBLING OUR NAVAL SHIPBUILDING PROGRAM ARRIVED IN THE NICK OF TIME TO REDUCE THE IRREPARABLE DAMAGE TO THE SHIPBUILDING INDUSTRY. THE NAVY ACCOUNTS FOR THREE FOURTHS OF ALL SHIPBUILDING AND REPAIR WORK IN U.S. YARDS.

AIRCRAFT -- IN EACH OF THE EIGHT YEARS PRECEDING THE REAGAN REARMAMENT PROGRAM, THE DEPARTMENT OF THE NAVY WAS NOT ABLE TO PROCURE

ENOUGH AIRCRAFT TO REPLACE THOSE LOST THROUGH PEACETIME ATTRITION AND RETIREMENTS. IN EACH OF THE PAST THREE YEARS, HOWEVER, NAVAL AIRCRAFT PROCUREMENT HAS BEEN NEARLY DOUBLED OVER THOSE YEARS, AND PROCUREMENT OF AIRCRAFT SPARES HAS BEEN TRIPLED. THESE HIGH RATES OF PROCUREMENT HAVE BEEN MAINTAINED, DESPITE SUCCESSIVE BUDGET CUTS DURING THOSE YEARS, BECAUSE OF AN HISTORIC REVERSAL OF COST TRENDS IN NAVAL AIRCRAFT PROGRAMS. FOR THE FIRST TIME IN HISTORY ALL NAVAL AIRCRAFT PROCUREMENT PROGRAMS ARE ON A FIRM, FIXED-PRICE CONTRACT BASIS, PRECLUDING PRODUCTION COST OVERRUNS, AND THE ANNUAL PRICES OF OUR NEW TACTICAL AIRCRAFT HAVE ACTUALLY BEEN COMING DOWN. COMPETITIVE PRESSURES HAVE BEEN MAINTAINED BY KEEPING FOUR SEPARATE FIGHTER AND ATTACK AIRCRAFT IN PRODUCTION.

THE FIRST NAVY AND MARINE CORPS STRIKE FIGHTER SQUADRONS HAVE BEGUN OPERATIONS WITH THE F/A-18 HORNET WHICH IS NOW IN FULL-RATE PRODUCTION.

AS PART OF THE REAGAN ADMINISTRATION EMPHASIS ON THE READY RESERVE, RESERVE UNITS HAVE BEEN ESTABLISHED AND ARE FLYING P-3Cs, S-3s, SH-2s, A-6Es, EA-6Bs, F-14As, A-7Es, AND F/A-18s. SOME OF THESE FLYING UNITS ARE AUGMENTATION UNITS TO FILL OUT FLEET SQUADRON STRENGTH UPON MOBILIZATION, AND OTHERS ARE COMMISSIONED SQUADRONS.

WEAPONS AND AMMUNITION -- IN THE DECADE PRECEDING THE REAGAN ADMINISTRATION, THE MARINE CORPS WAS UNABLE TO PROCURE SUFFICIENT AMMUNITION TO REPLACE THE STOCKS EXPENDED IN PEACETIME TRAINING. DURING THAT SAME PERIOD, THE NAVY WAS HELD TO SUCH LOW LEVELS OF PROCUREMENT OF AMMUNITION, MISSILES AND TORPEDOES THAT THREE YEARS AGO IT WAS IMPOSSIBLE TO LOAD OUT A REDUCED FLEET OF 479 SHIPS EVEN ONCE WITH FULL MAGAZINES. SUCH ENORMOUS SHORTAGES BUILT UP OVER A DECADE ARE NOT GOING TO DISAPPEAR OVERNIGHT. BUT THREE YEARS OF SUSTAINED GROWTH HAS NOW BEGUN TO REFILL OUR MUNITIONS STOCKPILES. AMMUNITION AND WEAPONS FUNDING WAS INCREASED BY $4.2 BILLION OVER THE LAST THREE YEARS AND THE LOWERED PRICES THROUGH THESE MORE EFFICIENT

PROCUREMENT RATES HAVE MADE IT POSSIBLE TO ACHIEVE OUR WARFIGHTING SUSTAINABILITY GOALS BY 1989.

THE NAVY IS READY

AS THE PROGRESS OUTLINE ABOVE MAKES CLEAR, THE COURSE TO RE-ESTABLISH MARITIME SUPERIORITY HAS BEEN SET, AND WE ARE WELL ALONG THE WAY. WE HAVE ACHIEVED AN EFFECTIVE BALANCE BETWEEN BUILDING FOR THE FUTURE AND MAKING THE FLEET WE HAVE TODAY A READY-FIGHTING FORCE. THE RESULTS ACHIEVED HAVE ADDED ENORMOUSLY TO OUR DETERRENT CAPABILITY. THE FLEET AND THE FLEET MARINE FORCE ARE MORE READY TO GO IN HARM'S WAY THAN AT ANY TIME IN POST-WAR HISTORY.

NAVAL OPERATIONS IN 1983

IT IS WELL KNOWN TO THIS COMMITTEE THAT THE NAVY AND THE MARINE CORPS ARE ALWAYS FULLY COMMITTED AND FORWARD DEPLOYED ALL OVER THE GLOBE WHERE OUR VITAL INTERESTS ARE INVOLVED. LAST YEAR WE OUTLINED THE NEW CONCEPT OF PEACETIME DEPLOYMENTS CALLED "FLEXOPS." UNDER THIS POLICY WE HAVE COMPLETELY REORDERED OUR METHODS OF PEACETIME DEPLOYMENT OF NAVAL FORCES TO ADD MUCH MORE REALISTIC MULTI-CARRIER AND AMPHIBIOUS OPERATIONS, GREATER FLEXIBILITY FOR THEATER COMMANDERS, AND FAR MORE USEFUL TRAINING; WHILE AT THE SAME TIME, WE HAVE BEEN REDUCING THE TIME OUT OF HOMEPORT FOR OUR NAVY AND MARINE CORPS PERSONNEL. THIS NEW CONCEPT OF OPERATIONS HAS ALLOWED THE NAVY TO UNDERTAKE THE MAJOR PEACE-KEEPING OPERATION IN LEBANON AND THE REGIONAL SECURITY OPERATION IN GRENADA WITHOUT DISRUPTING OR REDUCING OUR PEACETIME DEPLOYMENT ELSEWHERE IN THE WORLD. THE OPERATIONS OF THE BATTLESHIP NEW JERSEY PROVIDE AN EXCELLENT ILLUSTRATION OF THE INHERENT FLEXIBILITY OF OUR NAVAL FORCES. IN JUNE OF 1983, NEW JERSEY LEFT LONG BEACH ON WHAT WAS TO HAVE BEEN A 2 1/2 MONTH SHAKE-DOWN CRUISE TO THE WESTERN PACIFIC. AS YOU ARE WELL AWARE, SHE IS NOW, 9 MONTHS LATER, OFF THE COAST OF LEBANON IN

SUPPORT OF THE MULTI-NATIONAL FORCE. IN THE MEANTIME SHE HAS TRAVELED TO THAILAND AND THE PHILIPPINES FOR JOINT EXERCISES, TRANSITED TO CENTRAL AMERICA WHERE SHE CRUISED OFF THE COAST FOR SEVERAL WEEKS, TRANSITED THE PANAMA CANAL AND PROCEEDED AT 25 KNOTS NON-STOP TO HER CURRENT POSITION OFF BEIRUT. NEW JERSEY REMAINS TODAY ONE OF THE MOST READY SHIPS IN THE NAVY, THANKS TO THE SPIRIT AND QUALITY OF HER SAILORS, HER EXCELLENT MATERIAL CONDITION, AND NO LITTLE HELP FROM THE READY RESERVISTS WHO HAVE BEEN DOING ACTIVE DUTY ABOARD TO ALLOW PERMANENT CREW MEMBERS TO GO HOME ON LEAVE.

DESPITE THESE PEACEKEEPING OPERATIONS, THE FLEET HAS CONTINUED TO PARTICIPATE IN MAJOR MULTI-NATIONAL EXERCISES IN THEATERS AND OCEAN ENVIRONMENTS WHERE OPERATIONS MUST TAKE PLACE IN WARTIME. THE PRODUCT OF THESE EXERCISES HAS BEEN INVALUABLE EXPERIENCE IN TRAINING FOR THE PARTICIPANTS AND INVALUABLE LESSONS LEARNED TO IMPROVE TRAINING, TACTICAL INNOVATION, AND DEVELOPMENT AND PROCUREMENT PROGRAMMING. COMBAT FORCES FROM THE U.S. ARMY AND AIR FORCE, AS WELL AS OUR ALLIES, HAVE PARTICIPATED IN THESE MAJOR EXERCISES ON WHICH THE COMMANDANT AND THE CHIEF OF NAVAL OPERATIONS WILL ELABORATE IN MORE DETAIL.

WE ARE PARTICULARLY PROUD OF THE PROGRESS THAT HAS BEEN MADE IN THE LAST THREE YEARS IN INTEGRATING UNITED STATES AIR FORCE AND UNITED STATES NAVY AND MARINE CORPS FORCES IN JOINT EXERCISES. AIR FORCE AWACS, FIGHTER ATTACK AND TANKER PARTICIPATION IN NAVAL EXERCISES IS NOW ROUTINE AND EXTREMELY EFFECTIVE. SIMILARLY, NAVY AND MARINE AIR SUPPORT OF THE LAND BATTLE IS PROVING OF UNIQUE VALUE AND FLEXIBILITY IN EVERY THEATER.

DEPARTMENT OF THE NAVY MANAGEMENT INITIATIVES

THE SUBSTANTIAL PROGRESS ACHIEVED IN THREE YEARS IN THE NAVAL RECOVERY PROGRAM IS TESTIMONY TO THE SUCCESS OF THE DRAMATIC REFORM

OF DEVELOPMENT AND PROCUREMENT UNDER SECRETARY WEINBERGER. THREE YEARS AGO HE REVERSED A LONG AND DISASTROUS TREND TOWARD CENTRALIZATION OF MANAGEMENT AND DIFFUSION OF ACCOUNTABILITY. HIS LEADERSHIP HAS BROUGHT ABOUT A NEW DISCIPLINE AND A NEW ACCOUNTABILITY. MANAGEMENT AUTHORITY HAS BEEN RETURNED TO THE SERVICE SECRETARIES, AND FAR REACHING REFORMS HAVE BEEN UNDERTAKEN BY THEM. THE COMMITTEE SHOULD TAKE SPECIAL NOTE OF FIVE FUNDAMENTAL CHANGES MADE IN THE MANAGEMENT OF THE DEPARTMENT OF THE NAVY:

FIRST, PROGRAM STABILITY. YOU WILL NOTE THAT THE PERSONNEL, READINESS, SHIPBUILDING AND AIRCRAFT PROCUREMENT GOALS HAVE NOT BEEN CHANGED AS I PRESENT TO YOU THE FIFTH REAGAN RECOVERY BUDGET. THIS STABILITY IS UNPRECEDENTED IN PEACETIME HISTORY, AVOIDING THE RAGGED UPS AND MOSTLY DOWNS OF PREVIOUS FIVE-YEAR PLANS WITH THE TERRIBLE COST AND EFFICIENCY PENALTIES THAT SUCH UNCERTAININITY BRINGS. THE MULTIYEAR PROCUREMENT OF SUCH SYSTEMS AS THE C-2 AIRCRAFT AND THE MK 46 TORPEDO HAS RESULTED IN BOTH PROGRAM STABILITY AND SAVINGS TO THE TAXPAYER OF $169M.

SECOND, WE HAVE SOUGHT TRUE COMPETITION, NOT MERELY THE APPEARANCE OF COMPETITION THROUGH SOURCE SELECTION AND THEN THE AWARDING OF PRODUCTION MONOPOLIES. WE HAVE PURSUED A POLICY OF ESTABLISHING SECOND SOURCES IN EVERY APPROPRIATE PROGRAM. WE HAVE RAISED THE PERCENTAGE OF COMPETITION IN OUR SHIPBUILDING FROM 26.3% IN 1981 TO 86.4% IN 1984. WE HAVE ESTABLISHED AT FLAG RANK, A COMPETITION ADVOCATE FUNCTIONING IN MY OFFICE AND IN THE NAVAL MATERIAL COMMAND WITH VERY REAL POWER. AS A RESULT OF OUR PURSUIT OF MORE COMPETITION, THE PERCENT OF ALL OUR PROCUREMENT TRANSACTIONS AWARDED COMPETITIVELY HAS RISEN FROM 28.4% IN FY81 TO 39.5% IN FY83. THIS HAS BEEN AN INCREASE OF 137,000 COMPETITIVE TRANSACTIONS, REPRESENTING A NEW BUSINESS FACE FOR THE NAVY.

THIRD, NEW DISCIPLINE AND ACCOUNTABILITY HAVE BEEN BROUGHT TO CONTRACTING POLICY. THERE IS NOW A MORE EQUITABLE SHARING OF THE

RISK BETWEEN THE GOVERNMENT AND ITS CONTRACTORS, PROVIDING INCREASED INCENTIVE FOR EXCELLENT PERFORMANCE AND IMMEDIATE CONTRACTOR PENALTY FOR POOR PERFORMANCE. COST-PLUS TYPE CONTRACTS ARE NO LONGER CONSIDERED THE NORM, AS PREVIOUSLY, BUT AS A NECESSARY EVIL TO BE RESORTED TO ONLY IN THE MOST EXCEPTIONAL CIRCUMSTANCES.

FOURTH, THE ESTABLISHMENT OF A FIRM DISCIPLINE TO RESIST THE TENDENCY TO SEEK EVER GREATER CAPABILITIES FOR EVERY SYSTEM. UNFORTUNATELY, THE BEST IS USUALLY THE ENEMY OF GOOD ENOUGH. GOLD PLATING IS NOW UNDER FIRM CONTROL IN THE DEPARTMENT OF THE NAVY.

FIFTH, INVESTMENT IN HIGH TECHNOLOGY TO SAVE MONEY AS WELL AS INCREASE CAPABILITY. THE LEVERAGE OF HIGH TECHNOLOGY MUST ALWAYS BE A FUNDAMENTAL TOOL OF AMERICAN DEFENSE POLICY. WE CAN NEVER HOPE TO MATCH THE NUMERICAL SUPERIORITY OF A TOTALITARIAN ADVERSARY SUCH AS THE SOVIET UNION. WE CAN, HOWEVER, MAINTAIN SUPERIORITY THROUGH THE LEVERAGE OF HIGH TECHNOLOGY. THE FACILE ARGUMENTS THAT CHEAPER AND SMALLER IS BETTER HAVE BEEN INVALIDATED TIME AND AGAIN IN THE GULF OF SIDRA, THE BEKAA VALLEY AND THE FALKLANDS.

TODAY TICONDEROGA, THE FIRST AEGIS CRUISER, IS ON STATION IN THE EASTERN MEDITERRANEAN WITH MANY TIMES MORE CAPABILITY AND SIGNIFICANTLY LESS MANNING THAN THE CRUISER OF TWO DECADES AGO. TICONDEROGA IS MANNED BY ONLY 300 ENLISTED MEN AND 26 OFFICERS, WHEREAS A CRUISER 20 YEARS AGO WAS MANNED BY 1300 SAILORS AND 300 OFFICERS.

ANOTHER GOOD EXAMPLE IS THE F/A-18. BECAUSE THE DEPARTMENT OF THE NAVY INVESTED IN HIGH TECHNOLOGY, THIS AIRCRAFT IS CURRENTLY REQUIRING ABOUT 1/3 OF THE MAINTENANCE HOURS PER FLIGHT HOUR OF THE AIRCRAFT IT REPLACES. AS A RESULT, WE ARE ABLE TO MAN F/A-18 SQUADRONS WITH 50 FEWER PERSONNEL THAN THE AIRCRAFT SQUADRONS THEY REPLACE. PERHAPS THE MOST DRAMATIC PAYOFF FOR AVIATION

HIGH TECH HAS COME IN AIRCRAFT SAFETY. THE NAVY DEPARTMENT JUST COMPLETED ITS SAFEST YEAR IN HISTORY FOR THE THIRD STRAIGHT YEAR. MAJOR ACCIDENTS PER 100,000 FLIGHT HOURS HAVE DROPPED TO ONLY 4.33. THE CURRENT GENERATION OF HIGH-TECH NAVAL AIRCRAFT, SUCH AS THE F/A-18 AND THE F-14, NOW HAVE A SAFETY RECORD ABOUT 20 TIMES BETTER THAN THE SO CALLED SIMPLE LOW-COST FIGHTERS OF 30 YEARS AGO.

RESULTS

THE RESULTS OF THESE MANAGEMENT INITIATIVES ARE QUITE DRAMATIC. A FEW HIGHLIGHTS ARE LISTED BELOW.

-- DIFFICULTIES WITH THE SHIPBUILDING INDUSTRY IN CONSTRUCTING NAVAL SHIPS HAVE BEEN RESOLVED. AFTER YEARS OF DISPUTES, DELAYS, CLAIMS AND OVERRUNS IN OUR SUBMARINE CONSTRUCTION PROGRAMS, ALL SUBMARINES HAVE BEEN DELIVERED ON OR AHEAD OF THEIR CONTRACT DELIVERY DATES FOR THE LAST TWO YEARS. FOR THE FIRST TIME IN MANY, MANY YEARS THERE IS NOT A SINGLE NEW CONSTRUCTION CONTRACT SHIPBUILDING CLAIM OUTSTANDING AGAINST THE NAVY.

-- AIRCRAFT CARRIERS. THE CONTRACT FOR CVN 71, THEODORE ROOSEVELT, WAS MODIFIED TO INCLUDE AN INCENTIVE CLAUSE FOR DELIVERY OF CVN 71 UP TO 14 MONTHS IN ADVANCE OF THE CONTRACT DELIVERY DATE. THIS IS EXPECTED TO RESULT IN A NET SAVINGS TO THE GOVERNMENT OF APPROXIMATELY $74 MILLION. THAT SHIP IS NOW AHEAD OF EVEN THAT ACCELERATED SCHEDULE AND HAS A TENTATIVE LAUNCH DATE IN OCTOBER OF THIS YEAR, 17 MONTHS AHEAD OF ORIGINAL SCHEDULE. THE FY83 MULTISHIP CONTRACT FOR CVN 72, ABRAHAM LINCOLN, AND CVN 73, GEORGE WASHINGTON IS EXPECTED TO RESULT IN SAVINGS TO THE TAXPAYER OF $750 MILLION, WITH A TOTAL OF 44 MONTHS ACCELERATION OF DELIVERY FOR THE SHIPS WHEN COMPARED TO THE NAVY'S TRADITIONAL PLAN.

-- AEGIS CRUISERS. BATH IRON WORKS WAS SELECTED AS A SECOND SOURCE TO COMPETE WITH LITTON FOR PROCUREMENT OF AEGIS CRUISERS.

Contracts were signed this past December for the first three cruisers to be competitively awarded -- two to Litton, one to Bath. The cost reduction in this first year of competition was sufficient to achieve a NET constant dollar savings in our FY84 contracts of over $100 million compared to the FY83 sole source award.

-- Battleships. NEW JERSEY was recommissioned in December 1982, five weeks ahead of schedule and under the budget and is now on station off Beirut after an unprecedented deployment that may extend to more than a year. IOWA has been accelerated and is expected to join the fleet in April. Long-lead procurement, planning and preparation is going forward for the reactivation of MISSOURI in the Long Beach Naval Shipyard.

-- Build/Convert and Charter Programs. Thirteen maritime prepositioning ships and five T-5 tankers have been contracted for and are under conversion and construction. The TAKX maritime prepositioning ships will provide the capability to preposition the equipment and supplies to support three Marine Amphibious Brigades in areas of potential crises around the world. This innovative strategic program will greatly enhance the flexibility of military strategy, the future of the U.S. Merchant Marine, and the maintenance of the U.S. shipbuilding industrial base. Moreover, the program will be completed 18 months ahead of original defense guidance.

-- 82.3% of FY84 ship contracts were contracted in the first quarter, the best record in Navy contracting history.

-- Firm fixed price or fixed price 50-50 shareline contracts have become the standard in our shipbuilding program. In calendar year 1982, 25 ships were delivered to the Navy, of which 12 were on time and 7 were a total of 11 months ahead of schedule and 19 were either on or below budget. In calendar year 1983, 21 ships were delivered, of which 12 were on time, 8 were a total of 22

MONTHS AHEAD OF SCHEDULE AND 13 WERE EITHER ON OR BELOW BUDGET.

-- THREE YEARS AGO, 26% OF THE SHIPS IN OUR SHIPBUILDING PROGRAM WERE AWARDED COMPETITIVELY AND 74% SOLE SOURCE. IN THE FY84 SHIPBUILDING PROGRAM, 19 OF THE SHIPS WILL BE AWARDED COMPETITIVELY AND ONLY 3 SOLE SOURCE.

-- ALL AIRCRAFT PROCUREMENT CONTRACTS THROUGH 1983 HAVE BEEN SIGNED ON A FIRM, FIXED-PRICE BASIS AND HAVE RESULTED IN AN AVERAGE 9% SAVINGS BELOW THE BUDGET.

-- IN A MAJOR REAGAN ADMINISTRATION EFFORT TO REINVIGORATE THE MARITIME INDUSTRY AND THE MERCHANT MARINER PROFESSION, A TOTAL OF 34 SHIPS, INCLUDING 12 T-AGOS, 13 OCEANOGRAPHIC AND 4 SEALIFT SHIPS, WILL BE OFFERED FOR CONTRACT MANNING IN THE CURRENT YEAR. FIVE POINT-TO-POINT SHIPS WILL BE RETIRED, WITH COMMERCIAL SERVICES PERFORMING THEIR FUNCTIONS. THIS FOLLOWS THE DECISIONS IN 1982 TO COMMERCIALLY MAN THE 13 TAKX SHIPS AND FIVE T-5 TANKERS.

-- THE NAVY DEPARTMENT INCREASED BY 28.6% IN DOLLAR VALUE AWARDS TO SMALL BUSINESS, INCLUDING WOMEN-OWNED AND MINORITY CONCERNS. THESE CONTRACTS TO SMALL BUSINESS TOTALLED $8.38 BILLION IN FY-83, REFLECTING A NEW COMMITMENT TO BRING THE BENEFITS OF COMPETITION AND THE SMALL BUSINESS INDUSTRIAL BASE TO NAVY PROCUREMENT.

-- AN AIR CHARACTERISTICS IMPROVEMENT BOARD HAS BEEN ESTABLISHED TO CONTROL DESIGN AND EQUIPMENT CHANGES IN PRODUCTION AIRCRAFT. THIS WILL BE A VERY EFFECTIVE OBSTACLE TO GOLD PLATING AND WILL CARRY INTO FORCE A "BLOCK UPGRADE" POLICY WHEREBY NECESSARY CHANGES ARE MADE ONLY WITH NEW ANNUAL CONTRACTS AND ARE PRICED AND NEGOTIATED AT THAT TIME RATHER THAN PIECEMEAL IN THE MIDDLE OF PRODUCTION RUNS. VERY SUBSTANTIAL SAVINGS WILL BE THE RESULT.

-- ORGANIZATIONAL CHANGES TO NAVY MATERIAL COMMAND. MAJOR ORGANIZATIONAL CHANGES HAVE BEEN MADE IN THE NAVY MATERIAL COMMAND TO PROMOTE PROCUREMENT COMPETITION, TO IMPROVE PLANNING, COST CONTROL AND SCHEDULE CONTROL IN INDUSTRIAL FACILITIES, TO DECENTRALIZE MANAGEMENT AUTHORITY, AND TO INCREASE MANAGEMENT DISCIPLINE AND ACCOUNTABILITY.

-- NEW PROGRAM INITIATION PROCEDURES HAVE BEEN ESTABLISHED, IMPOSING A MUCH FIRMER DISCIPLINE FOR THE START OF NEW RESEARCH AND DEVELOPMENT PROGRAMS.

-- TOTAL NUMBER OF NAVY R&D PROGRAMS HAS BEEN REDUCED FROM 532 TO 421 IN FY85.

-- ESTABLISHMENT OF INDEPENDENT COST ESTIMATING. A NEW INDEPENDENT COST ESTIMATING ORGANIZATION HAS BEEN ESTABLISHED UNDER THE COMPTROLLER OF THE NAVY TO INDEPENDENTLY ADVISE THE CNO, CHIEF OF NAVAL MATERIAL AND NAVY SECRETARIAT ON PROGRAM COST ESTIMATES.

-- ESTABLISHMENT OF THE NAVY ACQUISITION REPORTING SYSTEM. A NEW, SIMPLE AND STRAIGHT FORWARD ACQUISITION REPORTING SYSTEM HAS BEEN ESTABLISHED IN THE DEPARTMENT OF THE NAVY FOR THE 60 TOP PROGRAMS. THIS REPORTING SYSTEM REQUIRES QUARTERLY REPORTS ON ANY CHANGES OF ESTIMATED COSTS FOR RESEARCH AND DEVELOPMENT OR PRODUCTION ON EACH OF THESE PROGRAMS AND PROVIDES EARLY WARNING OF PERFORMANCE DIFFICULTIES. WHILE THIS REPORTING SYSTEM IS PRIMARILY MEANT FOR SENIOR NAVY MANAGEMENT, ITS EFFECTIVENESS MAKES IT A PRIME CANDIDATE FOR EVENTUAL REPLACEMENT OF THE CURRENT SELECTED ACQUISITION REPORTING SYSTEM.

-- PROJECT BUDGET OFFICER REORGANIZATION. A FUNDAMENTAL CHANGE TO MAJOR PROJECT ORGANIZATION IS UNDERWAY TO ESTABLISH IN EACH PROJECT A BUDGET OFFICER, INDEPENDENT OF THE PROJECT

MANAGER, WHO WORKS NOT FOR THE PROJECT, BUT FOR THE COMPTROLLER OF THE MATERIAL COMMAND.

--REORGANIZATION OF THE WEAPONS SYSTEMS ACQUISITION MANAGEMENT CAREER FIELD. THERE ARE CURRENTLY SUBSTANTIAL SHORTAGES OF QUALIFIED AND EXPERIENCED ACQUISITION MANAGERS IN THE NAVY AND MARINE CORPS. TO REMEDY THIS, WE HAVE ESTABLISHED A NEW PROGRAM TO DRAFT QUALITY PERSONNEL WITH ESTABLISHED PROFESSIONAL WARFARE SPECIALTIES INTO THE ACQUISITION FIELD. COMPLETION OF THIS REORGANIZATION MAY REQUIRE SUBSEQUENT LEGISLATIVE PROPOSALS.

-- REVISION OF GUIDANCE TO PROMOTION BOARDS. GUIDANCE TO PROMOTION BOARDS HAS BEEN MODIFIED TO INCREASE EMPHASIS ON THE PERFORMANCE OF OFFICERS IN ACQUISITION MANAGEMENT BILLETS.

-- REVISION OF ASSIGNMENT POLICY FOR PROGRAM MANAGERS AND INDUSTRIAL FACILITY COMMANDERS. THE MINIMUM TOUR LENGTH FOR OFFICERS SERVING IN THESE IMPORTANT ACQUISITION BILLETS HAS BEEN LENGTHENED TO FOUR YEARS. ARRIVAL AND DEPARTURE FROM THESE ASSIGNMENTS NOW IS PLANNED TO COINCIDE WITH MAJOR DNSARC MILESTONES AND/OR PROGRAM STARTS OR COMPLETIONS.

-- INCREASE IN MANNING OF NAVY PLANT REPRESENTATIVE OFFICES. SUBSTANTIAL INCREASES WERE BEGUN IN CALENDAR 1983 AND WILL CONTINUE IN SUBSEQUENT YEARS TO THE NUMBERS OF NAVAL PERSONNEL MANAGING CONTRACTS IN CONTRACTOR PLANTS.

-- ESTABLISHMENT OF BOSS. THE DEPARTMENT OF THE NAVY HAS INSTITUTED A SPARE PARTS PROCUREMENT PROGRAM CALLED "BUY OUR SPARES SMART." IT IS PARTICULARLY FRUSTRATING TO US TO FIND THOSE ABUSES AND INSTANCES OF OVERCHARGING THAT WE HAVE UNCOVERED AND RECOVERED, BEING USED BY CRITICS TO DISCREDIT THE VERY EFFORT ITSELF. WORKING WITH SUPPLIERS AND PARTS CONTRACTORS, WE HAVE MADE GREAT PROGRESS IN LOCATING ABUSES, RECEIVING REFUNDS, CHALLENGING

SOLE SOURCE RELATIONSHIPS, LOCATING ALTERNATE SOURCES, AND REDUCING BARRIERS TO COMPETITION FOR SPARE PARTS BY IDENTIFYING AND ELIMINATING PROPRIETARY DATA REQUIREMENTS. THERE ARE MORE THAN 2.1 MILLION INVENTORY ITEMS IN THE NAVY SPARE PARTS SUPPLY SYSTEM, AND WE WILL METHODICALLY EXAMINE EACH AND EVERY LINE ITEM.

DEPARTMENT OF THE NAVY BUDGET FISCAL YEAR 1985

THE SOURCE OF THE NAVY/MARINE CORPS BUDGET. COMMENTATORS WITH LITTLE KNOWLEDGE OF DEFENSE POLICY HAVE CRITICIZED THE SERVICE BUDGET REQUESTS AS EXERCISES IN SIMPLY ASKING FOR MORE PROGRAMS THAT HAVE A MOMENTUM OF THEIR OWN. NOTHING COULD BE FURTHER FROM THE TRUTH. AS DESCRIBED ABOVE, THE PREPARATION OF THE 1985 BUDGET BEGAN WITH THE FOUNDATION OF NATIONAL STRATEGY AND THE MARITIME OBJECTIVES ASSIGNED TO THE NAVY AND THE MARINE CORPS. FROM MARITIME STRATEGY CAME THE FORCE PLANNING REQUIREMENTS. THE STRATEGY AND THE FORCE LEVELS HAVE, THROUGHOUT THE YEAR, BEEN REFINED AND TESTED IN MULTI-NATIONAL EXERCISES, SIMULATION AND WARGAMING. THE MOST IMPORTANT INPUTS TO THE PREPARATION OF THE BUDGET ARE THE SEMI-ANNUAL ASSESSMENTS OF THE OPERATIONAL AND THEATER COMMANDERS IN THEIR NET ASSESSMENTS AND RECOMMENDATIONS FOR FUNDING PRIORITIES. THE LESSONS LEARNED FROM REAL-WORLD OPERATIONS AND CONFLICTS SUCH AS THE FALKLANDS AND THE MIDDLE EAST, ARE APPLIED AND OFTEN FURTHER MODIFY THE BUDGET PLANNING. FROM THE START OF THIS FY85 PROCESS JANUARY A YEAR AGO THE APPLICATION OF COMMON SENSE IN PLACING PRIORITY ON THE "WAR STOPPERS" HAS BEEN APPLIED THROUGHOUT. AFTER EXHAUSTIVE SCRUBBING AND DEBATE WITHIN THE DEPARTMENT OF DEFENSE AND WITH OTHER AGENCIES OF THE GOVERNMENT, THE DEPARTMENT OF THE NAVY BUDGET HAS BEEN COMPLETED.

PERSONNEL READINESS. THE FY85 BUDGET CONTINUES TO PLACE PERSONNEL READINESS AT THE TOP OF SPENDING PRIORITIES AS IN THE PREVIOUS THREE BUDGETS. NOTHING IS MORE IMPORTANT THAN OUR PERSONNEL. THE TREMENDOUS TURNAROUND IN MORALE AND PERSONNEL QUALITY AND PER-

FORMANCE HAS PROVED TO THE SKEPTICS THAT, FOR THE NAVY AND MARINE CORPS, THE ALL-VOLUNTEER FORCE PRODUCES A BETTER AND A READIER FORCE FOR THE LONG TERM THAN A PEACE-TIME DRAFT. THE SUCCESS, HOWEVER, DEPENDS ON THE MAINTENANCE OF ADEQUATE COMPENSATION AND ADEQUATE QUALITY OF LIFE. NOTHING IS MORE IMPORTANT THAN MAINTAINING BUDGETARY SUPPORT FOR THOSE PRIORITIES. OUR BUDGET REQUEST CONTAINS THE FOLLOWING PRIORITY PROGRAMS:

-- A 5.5% PAY RAISE.

-- CONTINUATION OF THE SELECTIVE REENLISTMENT BONUS PROGRAM, MODIFIED TO KEEP PACE WITH A CHANGING ECONOMIC ENVIRONMENT. IT IS ESSENTIAL THAT WE HAVE THE ABILITY TO ADJUST AND TARGET THE BONUS AS NECESSARY TO RETAIN THE TECHNICAL SKILLS REQUIRED TO MAN THE FLEET.

-- AN ACTIVE FORCE INCREASE OF 10,500, FOR A TOTAL OF 575,300 FOR NAVY, AND 3,000, FOR A TOTAL OF 199,500 FOR THE MARINE CORPS. RESERVE FORCE STRUCTURE IMPROVEMENTS CALL FOR INCREASES IN PAY BILLETS FOR NAVY OF 8,700, TO REACH A TOTAL OF 124,200, AND 2,200 FOR THE MARINE CORPS, TO REACH A TOTAL OF 44,300. THESE MODEST INCREASES IN END STRENGTH ARE ESSENTIAL TO MAN THE GROWTH IN THE NAVY AND MARINE CORPS. WE WILL BE ADDING ABOUT 20 SHIPS PER YEAR UNTIL 1989, AND WE MUST HAVE ADDITIONAL SAILORS TO MAN THOSE SHIPS. BECAUSE OF LAST YEAR'S CONGRESSIONALLY IMPOSED CEILING, WE HAVE ALREADY HAD TO CUT MANNING OF SHORE ACTIVITIES SUPPORTING THE OPERATING FORCE TO BELOW COST-EFFECTIVE LEVELS. REDUCTIONS IN THE FY85 PERSONNEL END-STRENGTH REQUEST WOULD END UP CREATING SERIOUS PROBLEMS AND COST THE TAXPAYER MONEY.

-- AVIATION OFFICER CAREER PAY. ONE OF THE MOST DRAMATICALLY SUCCESSFUL AND COST-EFFECTIVE COMPENSATION PROGRAM INITIATIVES IN NAVY HISTORY HAS BEEN THE AOCP PROGRAM. RETENTION OF NAVAL AVIATORS HAS NEARLY DOUBLED IN THE LAST THREE YEARS OF

PAYING AOCP. PILOTS AND NAVAL FLIGHT OFFICERS ARE CURRENTLY BEING RETAINED AT THE RATE OF 58% AND 74% RESPECTIVELY. SINCE THE INCEPTION OF THE PROGRAM, 587 ADDITIONAL AVIATORS HAVE REMAINED ON ACTIVE DUTY AS A DIRECT RESULT OF AOCP. THE RESULTANT COST SAVINGS WERE $482.6 MILLION WHICH WOULD HAVE BEEN NEEDED TO TRAIN THEIR REPLACEMENTS. THE 1981 SHORTAGE OF 2,332 MID-GRADE AVIATORS HAS NOW BEEN REDUCED TO ONLY 1,087. THERE ARE, HOWEVER, EVEN LARGER SAVINGS MORE DIFFICULT TO QUANTIFY. THE MUCH HIGHER EXPERIENCE LEVEL IN NAVAL AVIATION TODAY HAS BROUGHT ABOUT THE THIRD STRAIGHT RECORD YEAR IN AVIATION SAFETY. SINCE 1981, 80 AIRCRAFT HAVE BEEN SAVED COMPARED TO WHAT WOULD HAVE BEEN LOST DUE TO PILOT ERROR AT THE ACCIDENT RATE PREVAILING BEFORE THE INCEPTION OF AOCP. THIS HAS RESULTED IN A DOLLAR SAVINGS OF APPROXIMATELY 485.5 MILLION DOLLARS. IN ACCORDANCE WITH CONGRESSIONAL GUIDANCE IN THE 1984 BILL, WE EXPECT TO MODIFY THE APPLICATION OF THE BONUS TO FOCUS IT ON THOSE AVIATION COMMUNITIES WHERE SHORTAGES PERSIST.

-- NUCLEAR OFFICER CONTINUATION PAY. RETENTION OF OUR NUCLEAR-TRAINED OFFICERS HAS IMPROVED BY 10% OVER THE PAST THREE YEARS. A 26% SHORTFALL OF THESE HIGHLY-TRAINED OFFICERS REMAINS, PARTICULARLY IN THE MID-GRADES. THIS FIGURE WILL INCREASE TO ABOUT 33% BEFORE THOSE NEWLY ENTERING THE SUBMARINE COMMUNITY REACH THE MID-POINT OF THEIR CAREERS. THE ADVENT OF THE ACCESSION BONUSES PAID TO OFFICERS ENTERING THE PROGRAM HAS MET WITH GREAT SUCCESS. THIS YEAR WE HAVE MET 100% OF OUR ACCESSION GOAL FOR THE FIRST TIME. THE PROVISION OF THESE PAY INCENTIVES FOR NUCLEAR-TRAINED OFFICERS MUST BE CONTINUED IF WE ARE TO ACHIEVE OUR GOALS OF MANNING NUCLEAR SHIPS WITH ADEQUATE NUMBERS OF TRAINED, EXPERIENCED OFFICERS.

MATERIEL READINESS. NEXT TO PERSONNEL, MATERIEL READINESS HAS RECEIVED THE HIGHEST FUNDING PRIORITY OF ALL NAVY ACCOUNTS DURING THE LAST THREE YEARS. THE PRAGMATIC APPROACH TO ALLOCATING

THE DEPARTMENT OF DEFENSE BUDGET BETWEEN THE FIRST PRIORITY READINESS, AND THE OTHER ACCOUNTS, SUCH AS INVESTING IN FUTURE SHIPS, AIRCRAFT AND WEAPONS, AND FROM DAY-TO-DAY OPERATIONS OF THE EXISTING FORCE, IS BEST DESCRIBED AS "LOOKING FOR THE WAR STOPPERS." THAT IS A SIMPLE FORMULA FOR APPLYING COMMON SENSE.

FOR INSTANCE, IT WOULD MAKE LITTLE SENSE TO SPEND ALL OF OUR FUNDS TO ACHIEVE A 90-DAY SUPPLY OF SPARE PARTS FOR EVERY AIRCRAFT CARRIER AS A RECENT GAO STUDY SUGGESTED, WHILE IGNORING AMMUNITION AND MISSILE SHORTAGES THAT WOULD LIMIT EACH CARRIER TO A VERY SMALL FRACTION OF THAT 90 DAY ENDURANCE IN SPARE PARTS.

IT IS JUST AS POSSIBLE TO LOSE A WAR BY RUNNING OUT OF SHIPS, AIRCRAFT, AMMUNITION OR SPARE PARTS. THE OBJECTIVE IS TO SEE THAT YOU DO NOT RUN OUT OF ANY ONE OF THOSE COMMODITIES BEFORE YOU HAVE TERMINATED A CONFLICT ON YOUR TERMS. SO YOU APPLY THE HIGHEST FUNDING PRIORITY TO THOSE COMMODITIES WHICH, WHEN EXHAUSTED, WILL STOP THE WAR ON UNFAVORABLE TERMS. WITH 118 SHIPS UNDER CONSTRUCTION, WE HAVE NOW ACCOMPLISHED THE FORCE LEVEL EXPANSION AND WE MUST SEE THAT FUNDING FOR MATERIEL READINESS IS PROPORTIONATE TO THAT GROWTH IN SHIPS AND AIRCRAFT. WE HAVE BEEN ABLE TO MAINTAIN THAT PROPORTIONALITY FOR THE LAST THREE YEARS, AND IT IS REFLECTED IN THE FY85 BUDGET. DURING THAT PERIOD, FOR INSTANCE, WE DOUBLED THE AMOUNT OF FUNDING FOR AIRCRAFT SPARES AND PROCUREMENT. DURING THE PAST THREE YEARS THE AVERAGE REAL ANNUAL GROWTH FOR MAINTENANCE HAS BEEN 6.5%, AND FOR SPARE PARTS GROWTH HAS BEEN 14.7%. THESE PERCENTAGES REPRESENT A $1.4 BILLION INCREASE FOR MAINTENANCE AND A $900 MILLION INCREASE FOR SPARE PARTS. ADDITIONALLY, $2.3 BILLION HAS BEEN ADDED FOR THE PERIOD 1981-88 TO CORRECT SHORTAGES OF SPARE PARTS CARRIED ON AIRCRAFT CARRIERS. THE FY85 PROGRAM WILL FUND SUFFICIENT SPARES TO DEPLOY 13 CARRIERS, AND BY 1990 ALL 15 CARRIERS WILL BE CAPABLE OF DEPLOYING WITH 100% OF THEIR AVCAL ASSETS.

THE PERCENTAGE OF NAVAL AIRCRAFT READY ON ANY DAY TO MEET THE MISSION HAS RISEN IN THREE SHORT YEARS FROM 59.2% IN 1981 TO AN ALL-TIME RECORD HIGH IN 1983 OF 69.2%, THE HIGHEST SINCE THE NAVY DEPARTMENT HAS KEPT SUCH RECORDS.

COMBAT READINESS RATING FOR AIRCRAFT SQUADRONS, A WARTIME READINESS MEASURE, HAS RISEN 24.2% OVER THIS SAME PERIOD. THE COMBAT READINESS RATING OF ALL TYPES OF SURFACE SHIPS HAS RISEN 14%.

THE CHRONIC PROBLEM OF LONG BACKLOGS OF SHIPS AND AIRCRAFT AWAITING OVERHAUL WILL BE EFFECTIVELY ELIMINATED IF FY85 READINESS REQUESTS ARE APPROPRIATED BY CONGRESS.

FY85 FUNDING FOR FLYING HOURS REPRESENTS A 3% INCREASE OVER THE FY84 LEVEL WHICH WILL PROVIDE 25 FLYING HOURS PER MONTH PER AIR CREW.

SHIP STEAMING DAYS ARE FUNDED AT THE SAME RATE AS IN FY84 ADJUSTED UPWARD FOR THE LARGER SIZE OF THE FLEET. THIS FIGURE IS BASED ON THE REQUIRED STEAMING DAYS TO MAINTAIN READINESS AND TRAINING AND DOES NOT INCLUDE ADDITIONAL FUNDING FOR UNFORESEEN CRISES. IT IS ESSENTIAL, THEREFORE, THAT THE SUPPLEMENTAL TO RESTORE FUNDING FOR OPERATIONS IN GRENADA AND THE EASTERN MEDITERRANEAN BE ACTED UPON SWIFTLY, OTHERWISE THERE WILL BE DEGRADATION IN THE READINESS AND TRAINING OF THE FLEET AS WE ARE FORCED TO ROB PETER TO PAY PAUL.

AMMUNITION. DURING THE 70'S, AMMUNITION, MISSILE, AND TORPEDO STOCKS DECLINED TO SUCH AN EXTENT THAT THREE YEARS AGO WE COULD NOT LOAD OUT THE FLEET EVEN ONCE. FUNDING FOR ORDNANCE HAS DOUBLED OVER THE LAST THREE YEARS AND IS DOUBLED AGAIN IN THE FY85 PROGRAM BETWEEN FY85 AND FY87. THE SIGNIFICANT COST EFFECTIVENESS THAT WE HAVE GAINED BY THE INCREASED PRODUCTION LEVELS HAS BROUGHT SUBSTANTIAL

REDUCTIONS IN UNIT COSTS OF AMMUNITION AND MISSILES. BY 1987 WE WILL HAVE DOUBLED THE NUMBER OF DAYS OF COMBAT SUSTAINABILITY IN THE FORCE. THE FY85 REQUEST REFLECTS A 21% GROWTH IN FUNDING OVER FY84, AND FULL-FUNDING IS ESSENTIAL IF WE ARE TO MAINTAIN THE EFFICIENCY OF THE BUY AT THE PRODUCTION RATES AND PRICE DECREASES THAT HAVE BEEN ACHIEVED. WE EXPECT TO ACHIEVE OUR FULL OBJECTIVE FOR WAR-TIME SUSTAINABILITY BY 1989.

FY-85 NAVY SHIPBUILDING PROGRAM.

THE FY85 NAVY BUDGET REQUESTS 23 NEW CONSTRUCTION SHIPS, 6 CONVERSION AND REACTIVATIONS. WE ARE NOW DEALING INCREASINGLY WITH MODERNIZATION RATHER THAN FORCE BUILDING IN OUR SHIPBUILDING PROGRAM.

AIRCRAFT CARRIERS. THERE ARE NO AIRCRAFT CARRIERS IN THE FY85 BUDGET OR FIVE-YEAR PROJECTION, AND NO NEW CONSTRUCTION CARRIERS ARE NEEDED UNTIL THE EARLY 90'S. CARL VINSON HAS COMPLETED ITS FIRST OPERATIONAL DEPLOYMENT AS THE 13TH AIRCRAFT CARRIER, THEODORE ROOSEVELT (CVN-71) WILL BE LAUNCHED IN OCTOBER OF THIS YEAR AND WILL BECOME THE 14TH DEPLOYABLE CARRIER IN 1986. ABRAHAM LINCOLN (CVN -72) WILL JOIN THE FLEET IN 1989 AS THE 15TH DEPLOYABLE CARRIER AND GEORGE WASHINGTON (CVN-73) WILL REPLACE CORAL SEA IN 1991.

BATTLESHIPS. THE FY84 BUDGET CONTAINED LONG-LEAD FUNDING FOR THE REACTIVATION OF THE 3RD BATTLESHIP MISSOURI. LONG-LEAD FUNDING FOR WISCONSIN, THE FOURTH BATTLESHIP, WILL BE CONTAINED IN SUBSEQUENT BUDGETS.

TRIDENT SUBMARINE. THE FY85 BUDGET CONTAINS FUNDING FOR THE 12TH TRIDENT WHICH WILL BE A D-5, TRIDENT II MISSILE CONFIGURATION.

Attack Submarines. The FY85 budget contains funding for four Los Angeles class nuclear attack submarines. It is essential now that we have both Electric Boat and Newport News producing Los Angeles class submarines with great efficiency, that we take advantage of their capacity to produce the numbers required at substantial savings.

The budget contains funding for research and development of systems required for a new class of attack submarines currently planned for lead ship funding in FY1989. We are confident that technological advances now make it prudent to move to begin construction at that time of a new class of attack submarine. The Soviets are narrowing the gap in submarine technology and we must maintain our technological edge. They currently are building submarines at several times our own building rate and currently outnumber us in attack submarines by a factor of three. They exceed our numbers of nuclear attack submarines by more than 10%.

AEGIS Cruisers. The FY85 budget contains funding for three AEGIS cruisers, the 14th, 15th and 16th of the class. The FY84 appropriation for three cruisers was awarded competitively for the first time with Bath Iron Works winning one ship and LITTON winning two. That annual competition will be continued through completion of the program.

Destroyer. The FY85 budget contains full funding for the lead ship of the Arleigh Burke class destroyer. This ship will replace existing DDG-2 and DDG-37 class destroyers on a one-for-one basis. Its capability will be midway between the FFG-7 class frigate and CG-47 class AEGIS cruiser. The lead ship price is capped at $1.1 billion (FY83 dollars) and the average price of the sixth through tenth ship is capped at $700 million.

Amphibious Ships and Landing Craft. Three years ago we embarked on a program to expand our Marine amphibious lift capability to add one Marine amphibious brigade, and that program is on schedule. The new ships under construction and design will incorporate the new generations of Marine Corps equipment such as the CH-53E heavy assault helicopter, the JVX advance vertical lift aircraft, heavier artillery pieces and new ground vehicles, the high-speed landing craft air cushion, LCAC, and the AV-8B Harrier. The FY85 budget contains two LSD-41 Whidbey Island class ships, the 5th and 6th.

Mine Counter Measures Ships. Construction began last year on the first of the Navy's new Avenger Class (MCM-1) mine counter measure ships. A total of five of these ships, designed to hunt and neutralize advanced Soviet mines requiring sophisticated means for neutralization, have been approved through FY84. Nine more are planned for a total of 14 and 4 are included in the FY85 budget.

A smaller, less expensive mine counter measure ship, the MSH-1 was authorized by Congress in FY84. This ship is designed for harbor mine clearance and coastal operations rather than deep water ocean countermeasures operations as is the MCM-1 class. We plan to procure a total of 17 of these ships.

Support Ships.

In FY85 we are requesting three civilian manned fleet oilers (TAO). These ships keep Battle Group Support ships (AOE/AOR) and other ships supplied with fuel. We plan 11 new TAOs for FY86-89. Beginning in FY86, we will procure additional multi-product ships for battlegroup operations. Three AOEs and four AEs are planned for FY86-89, to align the number of fast replenishment ships with the number of aircraft carriers. To alleviate the projected shortfall in surface fleet tenders in the late 1980s, we will request funds for one AR in FY89.

SEALIFT AND MARITIME POSITIONING. THE BUDGET SUBMITTED TWO YEARS AGO CONTAINED PROVISION FOR AN INCREASE IN THE NAVY'S READY RESERVE FLEET FROM 32 TO 77 SHIPS, INCLUDING 16 TANKERS, BY 1988. 31 CARGO SHIPS AND 1 TANKER HAVE ALREADY BEEN UPGRADED TO MAKE THEM AVAILABLE FOR MILITARY USE WITHIN 5 TO 10 DAYS OF NOTIFICATION. THIS READY RESERVE FLEET, UNDER THE MANAGEMENT OF THE U.S. MARITIME ADMINISTRATION, CAN BE USED FOR CONTINGENCIES REQUIRING SEALIFT AND WILL AUGMENT THOSE SHIPS OF THE MILITARY SEALIFT COMMAND ALREADY IN SERVICE.

FOR FAST SEA LIFT PURPOSES, EIGHT SL-7 HIGH SPEED (32 KNOT) CONTAINER SHIPS WERE ACQUIRED BY THE NAVY BEGINNING IN FY82. THE CONVERSION OF ALL EIGHT SL-7 CONTAINER SHIPS TO A ROLL-ON ROLL-OFF CONFIGURATION HAS BEEN AUTHORIZED AND ALL EIGHT WILL BE OPERATIONAL IN THAT CONFIGURATION BY FY86.

AN INNOVATIVE PROGRAM TO CONVERT U.S. FLAG SHIPS TO MILITARY USE BY INSTALLING "SEA SHEDS" AND "FLAT RACKS" TO COMMERCIAL CONTAINERIZED SHIPPING IS PAYING LARGE DIVIDENDS IN IMPROVING OUR MILITARY SEALIFT CAPABILITY. THE PROGRAM TO ACQUIRE UP TO 11 AUXILIARY CRANE SHIPS (TACS) WILL ALSO IMPROVE OUR ABILITY TO OFF-LOAD SHIPS TO BARGES IN PORTS WHERE MODERN CARGO HANDLING FACILITIES DO NOT EXIST.

WITH REGARD TO SOUTHWEST ASIA PREPOSITIONING, OUR NEAR-TERM PREPOSITION FORCE (NTPF) OF 18 SHIPS ALREADY PROVIDES EQUIPMENT, FUEL, SUPPLIES AND MEDICAL EQUIPMENT FOR AN ENTIRE MARINE AMPHIBIOUS BRIGADE PLUS ARMY AND AIR FORCE REQUIREMENTS IN THE INDIAN OCEAN AND MEDITERRANEAN. OUR PROGRAM TO REPLACE THESE SHIPS WITH 13 MARITIME PREPOSITION SHIPS (T-AKX) CAPABLE OF PROVIDING THE EQUIPMENT AND SUPPLIES NECESSARY FOR THREE MABS FOR DEPLOYMENT ANYWHERE IN THE WORLD IS AHEAD OF SCHEDULE, WITH THE LAST OF THESE SHIPS EXPECTED TO DELIVER IN 1986.

The Naval Recovery Budget from FY81 through FY85 has contained more money for mobility for our forces by sea than Navy budgets have contained in all the years since World War II put together.

Aircraft Programs.

The FY-85 budget includes funding for the acquisition of fixed and rotary wing aircraft to support a total of 5701 active inventory aircraft and reserve aircraft. Roughly a third of these aircraft are operated by the Marine Corps. The 13th active airwing is being commissioned this year and a 14th is planned for FY87. The airwing dedicated to our 15th deployable carrier will be one of the two reserve airwings. The second reserve airwing will be dedicated to the aircraft carrier undergoing service life extension. Based ashore are 24 active and 13 reserve squadrons of P-3 patrol aircraft.

The Marine Corps contains three active carrier capable aircraft wings and one in the reserves. A Marine aircraft wing typically contains four fighter/attack squadrons, three light-attack squadrons and one all-weather medium attack squadron. Other elements include fixed wing and helicopter aircraft for electronic warfare, reconnaissance, aerial refueling, transport of logistics and troops, airborne assault, aerial observation missions and command and tactical air control.

The total five year procurement program envisions the acquisition of 881 fighter and attack aircraft, plus 60 combat support aircraft. This program will modernize our sea-based and Marine Corps Tactical Air Forces as well as provide replacement aircraft for those lost through normal attrition, and provide sufficient growth to meet our airwing expansion plans of the decade.

Tactical Aircraft Modernization. In the FY85 budget, the Navy Department is embarking on a dramatic new modernization policy. A

MAJOR POLICY DECISION HAS BEEN MADE TO FOREGO THE DEVELOPMENT OF AN ENTIRELY NEW FIGHTER AND ATTACK AIRCRAFT AND INSTEAD TO UPGRADE EXISTING AIRCRAFT IN PRODUCTION. THIS DECISION RESULTS IN A SAVINGS OF AT LEAST $4 BILLION OVER THE REMAINDER OF THIS DECADE. A MAJOR OBJECTIVE OF THE PROGRAM IS TO ESTABLISH HARDWARE AND SOFTWARE COMMONALITY IN OUR FOUR MAJOR TACTICAL AIRCRAFT PROGRAMS WITH THE OBJECTIVE OF OBTAINING 90% COMMONALITY IN AVIONICS AND ELECTRONIC SYSTEMS FOR THE AV-8B, F/A-18, A-6, AND F-14.

F-14 TOMCAT FIGHTER. THE F-14 ALL WEATHER DAY/NIGHT FIGHTER IS OUR PRIMARY FLEET AIR DEFENSE FIGHTER INTENDED TO PROVIDE AIR SUPERIORITY WHEREVER DEPLOYED INCLUDING THE HIGHEST THREAT ENVIRONMENTS OF SOVIET LONG-RANGE BOMBER, FIGHTER AND CRUISE MISSILE ATTACK. THE F-14 IS UNIQUE IN THE WORLD IN HAVING THE LONG RANGE SURVEILLANCE AND ATTACK CAPABILITY OF THE AWG-9 PHOENIX RADAR AND MISSILE SYSTEM. THE FY85 BUDGET INCLUDES FUNDING FOR A STABLE PRODUCTION RATE OF 24 F-14S THROUGH FY86. IT INCLUDES FUNDING ALSO TO SHIFT PRODUCTION AIRCRAFT FROM THE TF-30 ENGINE TO THE F110 ENGINE. THE BUDGET ALSO CONTAINS FUNDING FOR THE AVIONICS UPGRADE PROGRAM OUTLINED ABOVE DESIGNED TO INCREASE CAPABILITY, JAMMING RESISTANCE AND MAINTAINABILITY, RELIABILITY, AND SURVIVABILITY. FIRST PRODUCTION OF THE UPGRADED F-14D IS PLANNED FOR FY-88.

F/A-18 HORNET STRIKE FIGHTER. THIS UNIQUE DUAL MISSION-CAPABLE AIRCRAFT ADDS A NEW DIMENSION OF FLEXIBILITY TO NAVY AND MARINE CORPS AVIATION. NOT DESIGNED TO HAVE THE RANGES OF MEDIUM ATTACK AIRCRAFT, IT NEVERTHELESS HAS EXCELLENT PERFORMANCE IN THE ATTACK MISSION. MOREOVER, FLEET EXPERIENCE INDICATES THAT IT IS NOW THE MOST CAPABLE AIR-TO-AIR MANEUVERING AIRCRAFT IN THE WORLD. IT IS CURRENTLY BREAKING ALL RECORDS FOR RELIABILITY AND MAINTAINABILITY, REQUIRING A SMALL FRACTION OF THE MAINTENANCE HOURS PER FLIGHT HOUR OF THE F-4 AND A-7 AIRCRAFT THAT IT REPLACES.

A-6E/F. THE A-6E NIGHT, ALL-WEATHER MEDIUM ATTACK AIRCRAFT IS

THE BEST ALL WEATHER PRECISION BOMBER IN THE WORLD. RECENT EVALUATIONS AND ANALYSIS OF ALTERNATIVE AIRWING MIXES INDICATES THAT THE FUTURE REQUIREMENT FOR THESE AIRCRAFT IS SUBSTANTIALLY HIGHER THAN OUR CURRENT INVENTORY. FUNDING IS REQUIRED IN FY85 TO CARRY OUT THE UPGRADE PROGRAM OUTLINED ABOVE. FOR THE ALL-WEATHER ATTACK MISSION, CURRENT PERFORMANCE OF THE AIRCRAFT IS SUFFICIENT. BUT TO STAY ABREAST OF THE GROWING THREAT ENVIRONMENT, A MAJOR UPGRADE OF THE AVIONICS AND WEAPONS SYSTEMS WILL BE UNDERTAKEN. THIS UPGRADE WILL SEEK TO ACHIEVE THE SAME MAINTAINABILITY, SURVIVABILITY, RELIABILITY, AND COMMONALITY WITH THE F/A-18, AV-8B, AND F-14D. COMPETITION IS PLANNED FOR SELECTION OF AN OFF-THE-SHELF MULTI-MODE HIGH-RESOLUTION ATTACK RADAR WITH AIR-TO-AIR CAPABILITY AS WELL. COMPETITION IS PLANNED ALSO TO REPLACE THE CURRENT J-52P8 ENGINE WITH A MORE EFFICIENT OFF-THE-SHELF MODERN TECHNOLOGY ENGINE.

AV-8B. AV-8B HAS SUCCESSFULLY COMPLETED ITS PHASE I OPEVAL. THIS ENABLED US TO SIGN A FY83 FIRM, FIXED PRICE CONTRACT WITH A FY84 OPTION PRICE NOT-TO-EXCEED THE FY83 FIXED PRICE. THE FY85 BUDGET INCLUDES FUNDING FOR 32 AIRCRAFT.

CH-53E. FUNDING IS REQUESTED FOR TEN CH-53E HEAVY LIFT HELICOPTERS. INTRODUCTION OF THIS AIRCRAFT HAS BEEN HIGHLY SUCCESSFUL.

SH-60. THE SH-60 LAMPS-III HELICOPTER IS NOW IN PRODUCTION. THE FY85 BUDGET CONTAINS FUNDING FOR 18 AIRCRAFT BASED ON AN EFFORT TO STABILIZE PRODUCTION AT A COST-EFFECTIVE TWO PER MONTH ON A FIRM, FIXED PRICE BASIS.

SH-2F LAMPS-I HELICOPTER. THE FY85 BUDGET CONTAINS FUNDING FOR SIX LAMPS-I HELICOPTERS WHICH PROVIDE A VALUABLE CAPABILITY TO THOSE MODERN SHIPS THAT WILL NOT BE MODIFIED TO OPERATE LAMPS-III HELICOPTERS, PRIMARILY THE FF-1052 CLASS AND EARLY FLIGHTS OF THE FFG-7 CLASS. AFTER BEING CLOSED FOR TEN YEARS, THE REOPENING OF

THIS PRODUCTION LINE HAS BEEN QUITE SUCCESSFUL AND THEY ARE NOW BEING PRODUCED AHEAD OF SCHEDULE AND UNDER COST.

AH-1T. THE FY85 BUDGET CONTAINS FUNDING FOR 22 AH-1T ATTACK HELICOPTERS. THIS TRIED AND TRUE AIRCRAFT IS ONE OF THE MOST VERSATILE IN THE MARINE CORPS INVENTORY. AN OPTION TO INCLUDE THE T700 ENGINE IS CURRENTLY BEING EVALUATED.

CV HELICOPTER. THE FY85 BUDGET CONTAINS FUNDING FOR A REPLACEMENT HELICOPTER FOR THE SH-3 CARRIER BASED DIPPING SONAR ANTI-SUBMARINE WARFARE HELICOPTER. THIS MISSION EMBODIES BOTH CV SEARCH AND RESCUE REQUIREMENTS AND THE DIPPING SONAR REQUIREMENT WHICH IS BECOMING MORE IMPORTANT IN DEALING WITH THE TORPEDO THREAT POSED BY SOVIET AND OTHER SUBMARINE FORCES. THE CV HELO, IN EFFECT, IS A BATTLEGROUP'S CLOSE-IN POINT DEFENSE SYSTEM AGAINST SUBMARINES.

JVX. THE FY85 BUDGET CONTAINS FUNDING FOR THE JVX PROGRAM, NOW SHIFTED ENTIRELY TO THE DEPARTMENT OF THE NAVY BUDGET. ONE OF THE MOST INNOVATIVE AND EXCITING NEW AIRCRAFT DEVELOPMENT PROGRAMS IN THE WORLD, JVX WILL REPLACE THE AGING MEDIUM ASSAULT CH-46ES AND CH-53A/DS IN THE NAVY AND MARINE CORPS INVENTORY. IN ADDITION, THIS UNIQUE HYBRID VSTOL AIRCRAFT IS SURE TO BE APPLIED TO MANY OTHER APPLICATIONS IN ALL OF THE SERVICES. WE ARE PLANNING FROM THE INCEPTION OF THIS PROGRAM TO ESTABLISH TWO PRODUCTION LINES TO COMPETE ANNUAL PRODUCTION EACH YEAR.

MARINE CORPS PROCUREMENT PROGRAM

THE MARINE CORPS PROCUREMENT PROGRAM REQUEST FOR FY85 TOTALS $1,979 MILLION AND PROVIDES FOR CONTINUATION OF READINESS ENHANCEMENT BY THE INTRODUCTION OF NEW INITIATIVES AND THE ACQUISITION OF NEW WEAPONS SYSTEMS FOR FIRE POWER INTENSIVE BATTALIONS. INFANTRY BATTALIONS WILL BE EQUIPPED WITH THE NEW PERSONAL DEFENSE WEAPON, improved M-16A2, rifle squad automatic weapon, shoulder-launched multi-purpose assault weapon, and the MK 19 40mm machine gun. The Light Armored Vehicle (LAV) will add a new degree of depth and versatility. The high mobility, multi-purpose wheeled vehicles, and the new logistics vehicles system are also adding significant mobility improvements. The Marine Corps anti-armor capability will be improved by increasing the number and capability of both the TOW and the DRAGON missiles. Procurement of the M-198 155mm towed howitzer has significantly increased the range and lethality of artillery, and procurement of further 155mm self-propelled artillery is proceeding. Many command, control and communications systems are currently in production or in the final stages of development. Position Location and Reporting System (PLRS), Marine Integrated Fire and Air Support System (MIFASS), and Tactical Air Operations Center 85 (TAOC-85), are some of the command and control systems for tomorrow's battlefield. Existing equipment capabilities have been improved by service life extension and modification programs to the LVT-7 Amphibious Vehicle, the Hawk missile, and the 5-ton truck. The balance of the Marine Corps procurement goes largely to improving ammunitions stocks, and munitions for training.

Research, Development, Test and Evaluation

The $9.8 billion request in FY85 for RDT&E represents 10% of the Navy's total request. While this RDT&E request represents 24% real program growth from the FY84 level, it should be noted that there are significant high-priority programs which are being funded in full-scale development which account for the increase. There has been a major improvement in efficiency reflected in this RDT&E budget. We have reduced the total number of RDT&E programs from 532 three years ago to 421 this year.

Two of the areas that have shown significant growth are strategic programs and tactical systems. The $618 million growth in

THE TRIDENT II STRATEGIC MISSILE PROGRAM IS NECESSARY TO MAINTAIN THE FY89 IOC. SEVERAL TACTICAL PROGRAMS ARE NOW AT THE STAGE OF MAJOR DEVELOPMENT. THESE INCLUDE THE DDG-51 DESTROYER, THE NEW DESIGN SSN, THE F-14 AND A-6 IMPROVEMENT PROGRAMS, AND THE JVX AIRCRAFT. SEVERAL OTHER SYSTEMS ARE NOW IN FULL-SCALE DEVELOPMENT. OF PARTICULAR SIGNIFICANCE ARE THE SUBMARINE ADVANCE COMBAT SYSTEM (SUBACS) SLATED FOR THE SUBMARINES AUTHORIZED IN FY83, THE MK-50 ADVANCED LIGHT WEIGHT TORPEDO AND THE JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS).

SPACE. WITH THREE QUARTERS OF THE EARTH'S SURFACE COVERED BY THE SEAS, THE NAVY HAS ALWAYS HAD A PRIORITY INTEREST IN THE MARITIME DIMENSION OF SPACE. NAVAL OPERATIONS ARE INCREASINGLY DEPENDENT ON SPACE SYSTEMS STRATEGICALLY, TACTICALLY, AND IN PEACETIME. NEARLY 85% OF ALL OPERATIONAL SATELLITE SYSTEM OUTPUTS PROVIDED TO THE ARMED FORCES ARE PRINCIPALLY FOR NAVY USE. THE COORDINATION OF MILITARY SERVICE AND CIVILIAN AGENCY ACTIVITIES IN SPACE HAS BEEN REMARKABLY SMOOTH AND SUCCESSFUL. THE PRINCIPAL RESPONSIBILITY FOR COORDINATION OF DEFENSE DEPARTMENT ACTIVITIES IN SPACE HAS TRADITIONALLY BEEN THE RESPONSIBILITY OF THE UNDER SECRETARY OF THE AIR FORCE. THAT POLICY HAS WORKED EXTREMELY WELL, WITH VIRTUALLY NO DUPLICATION OF EFFORT, COMPLETE SHARING OF INFORMATION, AND THE MOST EFFICIENT ALLOCATION OF RESOURCES.

NAVY AND MARINE CORPS RESERVE

THREE YEARS AGO THE DEPARTMENT OF THE NAVY UNDERTOOK A MAJOR REORGANIZATION OF COMPONENTS TO MOVE FROM A VERTICAL TO A HORIZONTAL RELATIONSHIP WITH THE ACTIVE FORCES. THAT MEANS ESSENTIALLY THAT THE RESERVES MUST PROVIDE IMMEDIATE AUGMENTATION TO THE ACTIVE FORCE IN TIME OF EMERGENCY ACROSS THE ENTIRE SPECTRUM OF WARFARE. TO IMPLEMENT THAT COMMON SENSE POLICY REQUIRES PROVIDING THE RESERVES WITH EQUIPMENT COMPATIBLE WITH THE ACTIVE FORCES. FOR INSTANCE, INSTEAD OF PROVIDING THE RESERVES ONLY SUCH EQUIPMENT AS IT BECOMES

OBSOLETE AND REMOVED FROM THE ACTIVE FORCE, THERE SHOULD BE A PARALLEL SPECTRUM OF NEW AND OLD EQUIPMENT REFLECTED IN THE RESERVES IN THE SAME PROPORTION AS IN THE ACTIVE FORCE. IN PRACTICE, WE HAVE TAKEN FUNDAMENTAL STEPS TO BRING THIS ABOUT.

-- MODERN FF-1052 AND FFG-7 FRIGATES HAVE BEEN TRANSFERRED TO THE NAVAL RESERVE FORCE WITH A TOTAL PROGRAM PLANNED AT 26 FRIGATES.

-- THE FIRST RESERVE LIGHT ATTACK SQUADRON IS NOW TRANSITIONING TO F/A-18S, WITH AT LEAST THREE MORE TO FOLLOW.

-- MODERN A-7E, E-2C, F-14A AND SH-2F AIRCRAFT ARE BEING TRANSFERRED TO RESERVE UNITS THIS YEAR, WITH OTHER FLEET AIRCRAFT TO FOLLOW DURING THE SUBSEQUENT FIVE-YEAR PLAN.

-- SQUADRON AUGMENTATION FLYING UNITS HAVE BEEN CREATED WITH EACH ACTIVE DUTY AIRWING PROVIDING CURRENT TRAINED AVIATORS AND MAINTENANCE PERSONNEL FOR IMMEDIATE AUGMENTATION TO ACTIVE DUTY SQUADRONS.

THE NAVAL RESERVE CONTAINS SEVERAL COMPONENTS WHICH ONLY EXIST IN THE RESERVES: 100% OF THE NAVY'S U.S. BASED LOGISTIC AIRLIFT; 100% OF LIGHT ATTACK HELICOPTER SQUADRONS; 100% OF OUR COMBAT HELICOPTER SEARCH AND RESCUE CAPABILITY; AND 100% OF NAVAL MOBILE INSHORE UNDERSEA WARFARE UNITS -- THE "BROWN WATER NAVY" STRUCTURED FOR COMBAT ON INLAND WATERWAYS. UPON MOBILIZATION THE RESERVES PROVIDE: 99% OF THE NAVAL CONTROL OF SHIPPING ORGANIZATION CRUCIAL TO MERCHANT SHIP MOBILIZATION AND CONVOY FORMATION FOR OVERSEAS OPERATIONS; 86% OF OCEAN-GOING MINE SWEEPERS; 86% OF CARGO HANDLING BATTALIONS VITAL TO PORT MANAGEMENT AND LOADING OPERATIONS IN A COMBAT THEATER; 80% OF THE MILITARY SEALIFT COMMAND MILITARY PERSONNEL; 68% OF NAVY MOBILE CONSTRUCTION BATTALIONS, THE FAMED SEABEES; 66% OF SPECIAL BOAT FORCES; 37% OF NAVAL INTELLIGENCE PERSONNEL; 35% OF MARITIME ANTI-SUBMARINE WARFARE PATROL SQUADRONS; 30% OF MEDICAL SUPPORT

PERSONNEL; 22% OF ASW HELICOPTER SQUADRONS NEEDED FOR FLEET AND CONVOY ANTI-SUBMARINE DEFENSE EFFORTS; 14% OF OUR TACTICAL SEA-BASED AVIATION CAPABILITY; 9% OF NAVAL BASE OPERATING SUPPORT PERSONNEL.

THE MARINE CORPS RELIES HEAVILY ON A FULLY TRAINED AND CAPABLE RESERVE COMPONENT TO COMPLEMENT ITS ACTIVE FORCE. THE MARINE CORPS DIVISION/WING TEAM (THE FOURTH MARINE DIVISION/AIRCRAFT WING TEAM) COMPRISES 1/4 OF OUR TOTAL MARINE CORPS COMBAT STRUCTURE AND 1/3 OF TOTAL MARINE MANPOWER ASSETS. THE RESERVES PROVIDE 40% OF MARINE TANKS, 33% OF THE HEAVY ARTILLERY, 30% OF THE LIGHT ATTACK AIRCRAFT, AND 33% OF THE ANTI-AIRCRAFT MISSILE CAPABILITY.

IT IS NOT OFTEN REALIZED HOW FULLY INTEGRATED OUR NAVY AND MARINE CORPS RESERVES ARE BECOMING IN OUR ACTIVE FORCE STRUCTURE AND PEACETIME OPERATIONS. A NAVAL RESERVE C-9 TRANSPORT AIRCRAFT ON A SCHEDULED LOGISTICS FLIGHT TO BEIRUT AT THE TIME OF THE TERRORIST ATTACK LAST OCTOBER MADE SEVERAL TRIPS EVACUATING WOUNDED SERVICEMEN TO HOSPITALS IN ITALY AND GERMANY. FOUR OTHER RESERVE C-9S PROVIDED DIRECT SUPPORT TO OUR OPERATIONS IN GRENADA DURING THE SAME PERIOD.

THE MARINE CORPS RECENTLY RECEIVED DELIVERY OF THE FIRST NEW AIRCRAFT EVER DELIVERED TO A MARINE RESERVE SQUADRON WHEN FOUR NEW KC-130T AIRCRAFT ARRIVED AT NAVAL AIR STATION, GLENVIEW, ILLINOIS. THESE AIRCRAFT WILL ANSWER ACTIVE DUTY AS WELL AS RESERVE TRAINING REQUIREMENTS.

THREE MINESWEEPERS DEPLOYED TO THE MEDITERRANEAN FOR A FOUR-MONTH PERIOD WERE COMMANDED BY RESERVE OFFICERS. RESERVE HELICOPTERS PARTICIPATED IN EXERCISE BRIGHT STAR IN OMAN IN 1983 AND THREE RESERVE MEDICAL TEAMS TOOK PART IN EXERCISE AHUAS TARA II IN HONDURAS. RESERVE P-3 SQUADRONS PERFORMED 581 ACTIVE OPERATIONAL MISSIONS IN THE ATLANTIC AND PACIFIC IN 1983.

83,000 manhours of direct support to ship overhaul and rework projects were contributed by reserve Ship Intermediate Maintenance Facilities (SIMA). Reserve Seabees devoted 35,000 man-days to rehabilitating navy base facilities. The Navy surface reserve components contributed 58,000 man-days to fleet exercise support, and reserve security group personnel provided 36,000 man-days in direct support to the national intelligence community. Over 1/3 of all naval intelligence processed for day-to-day fleet support is produced by naval reserve personnel. The Marine Corps reserve experienced a 30% increase in the number of reservists participating in major exercises in FY83, and Marine reserve combat readiness increased by 12% to a record high of 93%.

The Navy's Ready Reserve structure numbers 250,000 personnel of which 97,185 are selected reservists in a pay drill status. This latter figure will grow to 124,200 by the end of FY85.

The selected Marine Corps reserve grew to 42,690 in FY83, and 46,447 are programmed in FY85.

A most important new initiative begun last year was the Sea/Air Mariner Program which will provide 10,000 first-term enlistments directly into the Naval Reserve. We expect to begin a similar program this year for junior officer accession directly into the reserves.

As we proceed in this horizontal reorganization and integration of our reserve forces, we are exploring additional missions and roles for reserve participation. We are currently exploring the possibility of the creation of a Reserve Caribbean Defense Force, specifically trained for Caribbean contingencies. In FY85 we begin implementation of a new reserve mine sweeping program known as the Craft of Opportunity Program. The concept involves, in peacetime, civilian craft that would be best suited for use as mine countermeasures craft upon

MOBILIZATION WITH A MINIMUN OF ALTERATIONS. A NUMBER OF CRAFT WILL BE PROCURED AS TRAINERS IN PEACETIME TO TRAIN THE CREWS NEEDED FOR MOBILIZATION. IN PEACETIME THESE UNITS WOULD CONDUCT BADLY NEEDED HARBOR SURVEYS.

IN SUMMARY, WE ARE RAPIDLY EXPANDING THE IMMEDIATE ROLE THAT RESERVES WILL PLAY UPON MOBILIZATION. IT MUST BE KEPT IN MIND, HOWEVER, THAT THE HEAVY SCHEDULE OF PEACETIME FORWARD DEPLOYMENTS THAT REQUIRES ALL OF OUR SHIPS TO BE AWAY FROM HOME PORT NEARLY 50% OF EVERY YEAR AND TO DEPLOY ON 6-MONTH FORWARD DEPLOYMENTS CANNOT BE MANNED BY RESERVISTS IN PEACETIME. THIS IS A FUNDAMENTAL DIFFERENCE BETWEEN LAND-BASED FORCES AND SEA-DEPLOYING FORCES THAT MUST BE UNDERSTOOD WHEN CONSIDERING RESERVE/ACTIVE FORCE RATIOS BETWEEN LAND AND SEA SERVICES.

CONCLUSION.

THE FLEET AND THE FLEET MARINE FORCE TODAY ARE MORE READY TO GO IN HARM'S WAY THAN IN ANY TIME IN PEACETIME HISTORY. CONGRESS SHOULD TAKE MUCH PRIDE IN THE ACCOMPLISHMENTS OF THE NAVAL RECOVERY PROGRAM THAT BEGAN THREE YEARS AGO AND HAS ALREADY MADE SUCH A DRAMATIC CHANGE IN THE GLOBAL MARITIME BALANCE. NO LONGER DO WE HAVE A 1 1/2 OCEAN NAVY FOR A THREE OCEAN COMMITMENT; NO LONGER DO WE HAVE SHIPS THAT CANNOT DEPLOY ON TIME FOR LACK OF TRAINED SAILORS; NO LONGER DO WE HAVE A HEMORRHAGE OF TALENT FROM OUR CAREER FORCES; NO LONGER DO WE HAVE AN UNENDING SPIRAL OF COST OVERRUNS AND ESCALATION; NO LONGER DOES THE WORLD PERCEIVE THE UNITED STATES AS A DECLINING NAVAL POWER. THE DEFENSE INCREASES VOTED OVER THE LAST THREE YEARS HAVE PAID ENORMOUS DIVIDENDS.

THE PRESIDENT, THE SECRETARY OF DEFENSE, AND THE DEPARTMENT OF THE NAVY HAVE NOT WAIVERED IN THREE YEARS IN THE PRIORITIES AND THE COMMITMENTS THAT WERE MADE ORIGINALLY TO ACHIEVE MARITIME SUPERIORITY. WE HAVE EVERY CONFIDENCE THAT CONGRESS WILL DEMONSTRATE THE SAME CONSTANCY OF PURPOSE.

Chairman Tower. Thank you, Mr. Secretary.
Admiral Watkins?

STATEMENT OF ADM. JAMES D. WATKINS, U.S. NAVY, CHIEF OF NAVAL OPERATIONS

Admiral Watkins. Mr. Chairman, I, too, have a rather lengthy posture statement that I would like to submit for the record. I would like to give a short oral summary.

Chairman Tower. Your full statement will be incorporated in the record.

Admiral Watkins. I appreciate this opportunity, Mr. Chairman, to come before this important committee again.

In picking up on one element of the oral statement made by the Secretary, I would like to point out that I spent about one-third of the posture statement addressing the national objectives, the maritime strategy, the state of the world today and how we are dealing with peacetime crises, and a spectrum of conflict from low-level conflict all the way to full-scale conflict.

The Navy is engaged worldwide in a variety of efforts to carry out the national objectives. I point to the connections between our Navy budget today and that national strategy.

I think it is very important that I spend some time summarizing the early part of that posture statement since the Secretary adequately covered the readiness and state of the Navy today.

As the new year begins, we have 30 armed conflicts around the globe, giving clear evidence of the fragile nature of things. Though not a war, in a classic or legal sense, American sailors and marines have fallen in combat over the past year. We are in a global power struggle with global interests and obligations.

The world we live in has not eschewed the use of force. It doesn't matter whether we do or do no want to participate, the Soviets persist: so we must continue to compete. The response options to this situation are limited. Accommodation, hoping the Soviets will moderate their behavior, has proven to be a dangerous policy. The military dominance option has rightfully been rejected by Americans. The best choice is to remain competitive, deter aggression, and contain conflict at the lowest possible level. That is the principle of peace through strength which guides our military planning.

As we attempt to redress the imbalance and gain a competitive edge, the Soviets claim our efforts threaten the existence of their system. In fact, in this connection failure to maintain our military strength during détente provided the Soviets with the opportunity to intimidate the West.

The Soviets' great power status derives chiefly from military power. The Soviets and others exploit terrorism as a new military-political tool to eliminate opposition and create instability. They are very adept at co-opting revolutionary movements through military advice, military assistance, and particularly the use of surrogate combat forces. This Soviet strategy is carried out in what we still classify as "peacetime." To the Soviets it is not peacetime, but merely a steady, low level of conflict for exploitation of tensions.

So, what is our national security policy and how do we relate to this Soviet strategy?

We know that a fortress America is untenable. Wishing away nuclear weapons doesn't work. Nuclear deterrence is the cornerstone of our posture. Strategic submarine forces with their inherent and unique survivability enhance our strategic deterrence.

We had 82 SSBN patrols last year in support of national deterrence.

Conventional conflict can and will occur at various levels of intensity: Central America, Lebanon, Grenada, KAL-007 shootdown, threats to the oil supply, threat to the Straits of Hormuz, et cetera.

Seapower has been called to the fore in all of these events. It is a sharp, precise instrument of national policy involving small political cost compared to other military forces. We arrive ready: no outside logistics support required, no access rights, or no overflight rights are required. We have staying power. We can be withdrawn easily. Naval forces were the principal tool of eight Presidents since World War II and have participated in 81 percent of all crises since then.

Our allies, many of whom are not rich, play a major role in permitting us to execute our global and forward deployed strategies.

U.S. MILITARY STRATEGY

So, what is the U.S. maritime strategy then? The framework for national military strategy rests on three pillars; deterrence, forward defense, and alliance solidarity. Should deterrence fail, response to aggression could take one of four options: Meet force with like force, increase conflict intensity, alter its geographic breadth, or control the duration. The first two options are too resource intensive. The Navy and Marine Corps team provides useful options to alter the geographic breadth or duration of conflict.

Sea power permits us to outflank the foe, force our adversary to spread his forces, defend against a multiplicity of maritime operations, and link North American, European, and Asian elements of our global alliance. Resupply and reinforcement sealift is central to our ability to outlast an extended duration conflict. Therefore, naval forces must plan for rapid and vigorous offensive operations in close proximity to the Eurasian land mass.

Thus, forward defense of the Central European front must be complemented by forward strategy on the flanks. The maritime strategy is a joint effort, particularly with our sister service, the U.S. Air Force.

EXERCISE BRIGHT STAR

Recent exercises are examples of this effort: Bright Star off Cairo, where 58 percent of sorties were flown by tactical air off of our carriers north of Alexandria; display determination with all of our NATO allies in the Mediterranean and including the French.

EXERCISE JADE TIGER

Jade Tiger with Mideast nations of the Gulf States and Indian Ocean joined to show how we operate together if those nations desire us to assist them.

EXERCISE TEAM SPIRIT

Team spirit in the Pacific to support our alliance with South Korea and deter to North Korean adventurism.

EXERCISE SOLID SHIELD

Solid shield in the Atlantic to work the flanks and send a signal to the Soviet Union that there is no sanctuary and Unitas in South America where we are heading into our 25th year in that important region of the world in which we pool together for hemispheric solidarity to control the sea lanes in the South Atlantic and South Pacific.

We face another element, state-sponsored terrorists, who operate in a world nominally at peace, but now force modification of the so-called peacetime rules of engagement.

So, we are forced to become more proactive and we are doing that today. We in the Navy have established an antiterrorist indications and warning alert center to send out alerts in real time through our normal intelligence circuits. We are augmenting the guard force with investigative service specialists who deal with terrorism. We have commenced intensive indoctrination of all our people. We have the will and capability to defend our interests at home and abroad against this new form of low level conflict.

So, the posture statement introduction I think is critical to the committee's understanding of the rationale for our defense budget and the rationale for Navy support, particularly in the face of some allegations that there is no national defense policy or workable maritime strategy.

The Secretary pointed out we have devoted considerable attention to insure that we do have a cohesive policy. It may be that those complaining that there is no maritime strategy coupled with the national policy simply do not agree with the national policy.

We feel that we have a very workable strategy. It is consistent, it is kept up to date, and it is dynamic. It is affected by the real world situation, Grenada, Lebanon, and the Falkland Islands lessons learned, as well as the exercises I outlined earlier. There is a continuing effort on the part of our War College and unified commanders in the field, Joint Chiefs of Staff, and the administrative side of the chain of command to work together to insure that we do in fact couple well with the national objectives.

The Secretary has outlined the readiness of the Navy today and I need not repeat. The exciting portion of that readiness is manifested in the spirit, the morale, and professionalism of our sailors.

RECRUITING AND RETENTION

Recruiting and retention have never been better. We only ask for your continued support. When it comes to the question of the Navy manpower request, I would hope that this year the Congress would see fit to approve that request since two-thirds of the billets asked for specifically are going to strategic and tactical mobility forces which man and directly support the ships and aircraft Congress has authorized and funded in prior years.

There is no fat that we can find in shore establishments for sailors who already are spending 5 years at sea and only 2 years ashore. We must rotate them ashore. To keep cutting the shore establishment in areas that seem to others to be less important eliminates the shore billets we need to support our sea-shore rotation. I think the cuts last year will not serve the Navy well by the end of this decade when we see a force decline in petty officers as a result of failure to approve the manpower spaces. Those spaces being requested are made up of two-thirds petty officers. Eventually we will be facing a shortfall in petty officers once again as a result of a manpower decision despite high retention percentages that we have enjoyed in the existing force.

NAVAL RESERVE

We have made dramatic improvement in our Naval Reserve in the past year. I add this point because I think sometimes people are working on old information about the Navy. It is true in past years the Navy has not been as forthcoming as required regarding the Naval Reserve. I can tell you in the past 4 years we have been serious about our Reserve force. We are trying to horizontally integrate the most modern equipment. We are asking for Naval Reserve end strength increases that are significant: and we really do believe that these forces we now have—including the most modern of our frigates and guided missile frigates, plus F/A–18's, F–2C, and other aircraft transitioning into the Reserve are vital to our readiness.

The only question will be whether we will ever authorize the mobilization callup of those forces when needed in times of crisis. That is a political decision, but we are serious about the Naval Reserve and we are moving out aggressively.

I would like to point out that in responding to crises last year, the Navy's share for Lebanon operations was $51 million in excess of that which we would normally spend for operations. We took that out of our hide which we can do up to a certain point.

In fiscal year 1984 we spent $47 million more for the Grenada operations than we would have for normal operations. Only $12 million of that was accepted as part of a supplemental which is coming to Congress to help us offset those costs in fiscal year 1984.

In addition, Lebanon appears to be generating a $62-million cost in fiscal year 1984 over that which we budgeted for normal operations.

SUPPLEMENTAL REQUEST

The Secretary of Defense has approved a supplemental request for $74 million to cover the costs of these unplanned contingencies and I would hope the Congress would help support it. The offsets must otherwise come from the home fleets who then have to fly less and steam less, and training will be adversely affected as will personnel readiness.

We have also asked for a significant increase in our research and development budget in terms of real growth over fiscal year 1984 because the Congress cut our request by 7½ percent of our requested growth last year.

For the past few years we have been struggling out of a valley in research and development wherein we have mortgaged the future in some very critical areas that are important if we are going to maintain our maritime superiority in the face of overwhelming numerical superiority of the Soviets.

We must learn how to fight smarter and technology leads us to those solutions. Therefore, I would hope the Congress will allow us our requested real growth this year and will not tinker so much with the many programs we have which were worked over last year harder than they have ever been worked before. Of about 300 line items, 164 were modified by the Congress only to have many of them returned to their originally requested numbers later on in the cycle.

I believe we need to work closer with your committee and with those in the House of Representatives to try to stabilize the research and development account and help us come to grips with the long-term needs of the Navy which can best be served by assuring we focus our resources on the right technologies in the future. We think we can do that.

We established a Space Command last year because Navy makes No. 1 use of the tactical information provided by our national sensors. We were accused of "me-tooing" it with the Air Force which is simply not true. We have 2,500 people working in space-related functions. We had them in disparate organizations and we pulled them together under one command. It has Capt. Dick Truly, one of our astronauts, in command, the first time the Navy has employed one of our astronauts back in its own fold.

We would hope that the Congress will look at this as a step forward, as the Air Force's was, so that whatever the organizational arrangement might be as we move into space defense initiatives, this step by the Navy will also be viewed as an important contribution to assuring we have the proper control, proper linkage with our sister services and others concerning space matters.

MANAGEMENT

The Secretary touched on management. He has generated some of the most impressive management schemes that I have ever seen in the Navy, and I give great credit to the Secretary of the Navy for satisfying major needs that the uniformed side of the Navy could not. He has done an incredible job in driving down procurement costs.

We have executed contracts already in fiscal year 1984 at savings of $480 million under the budgeted figure. That means that those dollars can be reallocated. The Congress has seen fit in the past to at least allow the Navy to get some credit for those savings by allowing us to reallocate into other program needs as the budget cycle evolved.

The Navy's budget is a forward-thinking budget. It is coupled well with the strategy. It has readiness and sustainability at about 60 percent of the requested total obligation authority, up 4 percent over last year even with the higher budget.

So, we are not just buying the fancy, bright things. We are focusing on near-term needs as well. In fact, current war fighting capability is our highest priority and we are serious about it.

We are going to expand even our Naval Reserve further. We have established a flag officer full time with no other duties but to insure that we comply with congressional intent to get on with maximizing our reliance on Naval Reserve manpower in lieu of active manpower, where we can.

We would again hope that the Congress will be sensitive to the unique nature of the Navy and the fact that one-third of our operating ships are forward deployed at all times. Others are either preparing to go or have just come back.

It is very difficult to jam more Reserve manpower into some of those units. Yet we recognize there is still room for expansion of our Selected Reserve, and we are going to do that.

In closing, then, I think that we can say that the Navy is on the move. It is carrying out national objectives in a professional way.

Congress has given us great support over the years. Personnel, our No. 1 resource, has come alive again. We are dynamic in operations. We are moving worldwide to answer contingencies. We are doing professional work and we are doing it with great spirit. You and your committee have helped to give us that, Mr. Chairman, and we appreciate it a great deal.

Seapower can still make a strategic difference. We do think we have a program that is well coupled with the national objectives.

Thank you.

[The report by Admiral Watkins follows:]

A REPORT BY

ADMIRAL JAMES D. WATKINS, U. S. NAVY

CHIEF OF NAVAL OPERATIONS

BEFORE THE

SENATE ARMED SERVICES COMMITTEE

ON THE

FISCAL YEAR 1985 MILITARY POSTURE

AND

FISCAL YEAR 1985 BUDGET

OF THE UNITED STATES NAVY

7 FEBRUARY 1984

Mr. Chairman and distinguished members of the committee, I am very grateful for the opportunity to appear before you again to report on the state of the U.S. Navy. By way of introduction, I will highlight a few items important to our Navy and to this year's discussion of the distribution of resources to provide for a strong and vital maritime posture.

As the new year began there were more than 30 separate armed conflicts ongoing around the globe. Furthermore, untold numbers of brutal and destructive terrorist incidents -- including state sponsored terrorism -- have occurred recently and are likely to continue. We are not a nation at war, but American soldiers, sailors, airmen and marines have fallen in combat over the past year defending their country's interests. Peace, crisis, conflict: often in today's world there are no clear demarcations. The Navy must be prepared to act any day, every day, along the entire spectrum of conflict potential -- to ensure national security while limiting crisis, controlling escalation or terminating conflict.

Around the world -- in Lebanon, Central America, Chad, Grenada, and the airspace off Soviet Sakhalin Island -- we have faced the various threats to world peace and have responded as a nation. In each of these critical situations, U.S. military forces responded to National Command Authority tasking with speed and efficiency. The Navy on numerous occasions demonstrated its unique capability to support national security objectives. As global, blue water forces with staying power and visible fighting potential, forward deployed Navy and Marine Corps units played decisive roles in pursuit of the military objectives directed by the President to contain each crisis. In short, the total Navy-Marine Corps team, including Reserve forces, has made the strategic difference.

Congressional support over the past three years and the resulting "across the board" improvements in fleet readiness have enabled us to measure up to the challenge. Flexible operational scheduling has made the most of our assets at sea and avoided past static naval deployment patterns. Of course, the totally professional and thoroughly dedicated men and women who serve in today's Navy are key to the Navy's ability to meet our commitments. Throughout the year our people have responded positively and enthusiastically to each new requirement generated by the turbulent international scene. Last year I reported that eight of our thirteen carriers were at sea in support of national policy -- today, we remain a Navy on the move around the world, obtaining maximum use of our forces.

Before I describe the Navy today and explain in some detail our budget submission, I want to review with you the Navy's key role in supporting national policy. The Navy demonstrates national will in peacetime; we respond rapidly anywhere on the globe to control crisis; we are a central element in deterring and, if necessary, defeating wartime threats to our national security.

Nature of the Challenge

United States national security policy fundamentally aims to preserve our freedom with institutions and values intact. We are a global power with global interests and obligations and the world we live in has not eschewed the use of force. We must be able to deal with a wide range of threats to our freedom. It is also clear that the Soviet Union poses the greatest challenge to the United States and its allies --its goals and policies are major threats to world peace.

Since the establishment of the Soviet state, the Soviet perception of their relationship with the western world, including the United States, has been one of long-term conflict. This view reflects the Marxist-Leninist belief that history is a class struggle which, on the international scene, is expressed in continuing conflict between two contradictory systems -- capitalism and socialism.

It does not matter whether or not we want to participate in this long term competition. The Soviets insist on struggling with us, and we must compete. As Soviet confidence and power have increased, so has Soviet global pressure.

Our options are limited. We have gone through a period of accommodation in the hope that the Soviets would moderate the terms of the competition and their goal of dominance. American leaders have rejected any option whereby we would strive for military dominance and some undefinable victory. The best choice in this imperfect world is to remain competitive over the long term, maintaining our strength to deter aggression and contain conflicts at the lowest possible level. This course offers the only hope for long term stability and the possibility that the Soviets will alter their goals. As President Reagan has repeatedly emphasized, the principle of "peace through strength" guides our military planning.

Past attempts to ameliorate the competition by accommodating the USSR have ended in costly failure. The Soviets' response has been to take advantage of our failure to compete, trying to achieve their ends by burying our system of values and our freedom. We have seen ample evidence of this intent from the Soviet buildup of military forces during the period of detente. Soviet actions in Angola, Ethiopia and Afghanistan during the same period offer additional proof.

Now, as we attempt to redress an imbalance of forces -- the result of a unilateral standdown -- we are witnessing a peculiar phenomenon. The Soviets claim that our catch-up efforts threaten the existence of their system, and they oppose our efforts at all costs, describing our corrective measures as the first moves toward war. Our failure to maintain strength during detente only provided the Soviets an opportunity to intimidate the West through a massive propaganda campaign. We must respond with constancy and forebearance and recognize the need to maintain a rough balance of power between the two nations.

Since its creation, the Soviet state has had two goals, the first is to assure the survival of the Soviet state. The second to extend their influence and communism throughout the world. Security has a special meaning for the Soviet Union. The Russian/Soviet state not only has historically been paranoid about the threats it faces, but its ideology also ties the security of the state to the stability of the regime. The

U.S.S.R. has concentrated on expanding and consolidating its sphere of control in support of both objectives. As that control is consolidated, the USSR looks forward to further global expansion and an ultimate victory for Soviet Communism.

Soviet strategy requires great power status for the USSR. While Soviet propaganda advertises their economic and social progress over some sixty years, the truth is that the Soviet Union owes its great power status chiefly to military power. Soviet political and diplomatic efforts are influential because they are backed by an expansionist and coercive military threat, one increasingly manifested through naval power. While the U.S. must compete in many areas -- ideological, political, diplomatic, and economic -- we must recognize the Soviet emphasis on military power.

The Soviet regime relies on military power to control its people, to create and hold a buffer of satellite and client states around the homeland, and to match the perceived threat not only from the U.S. and NATO but from other western allies and China as well. Large, general-purpose forces maintain (as in Poland) and expand (as in Afghanistan) the ring of satellite states. The employment of additional forces attempts to extend the Soviet perimeter of influence outward by threatening and coercing smaller nations. Large naval forces extend Soviet influence and potential for sea control and sea denial into areas distant from Soviet coasts. Powerful strategic forces are intended to provide the umbrella of intimidation necessary to permit this Soviet strategy of dominance and coercion to go unchallenged by the West.

Soviet strategy for the spread of the Communist system is designed to create conditions conducive to the acceptance of Communism through Soviet propaganda and the undermining of democratic regimes. Most recently, by the encouragement of terrorism, the Soviets have exploited a new means to eliminate opposition and create instability. Finally, Moscow is adept at co-opting revolutionary movements through military advice and aid, Soviet military presence or the use of surrogate combat forces supported by Soviet military advisors, training and logistics.

Thus, Soviet strategy for both the security of the state and for the spread of Soviet influence and the Communist system throughout the world is based, to a considerable degree, on elements that can be carried out in what we would consider peacetime. To the Soviets, of course, it is not peacetime, but a lower level of conflict at which they would prefer to exploit tensions in pursuit of their goals.

In those few places where the Soviets do not participate actively in fomenting unrest, they profit handsomely from any interests they may coincidently share with the world's terrorist and renegade states, who for their own reasons wish ill for us, our friends and allies. Cuba continues in determined support of a policy to export revolution and subvert Central America and the Caribbean, with effects visible in any day's headlines. Libya plays an equally disturbing role among her neighbors, as does Vietnam. In this vital competition, we have for decades witnessed the value of the U.S. Navy as a counter-weight to the Soviet penchant to trouble the waters and then fish in them.

While the Soviet Union plays a profoundly destabilizing role across the globe, and poses the greatest and most threatening challenges to our security, there are other sources of instability or danger as well. It would be an oversimplification to ascribe all turbulence to the contest between Soviet communism and Western democracy; others among the world's 160 plus states have their own agenda of violence.

National Security Policy

As we face these global challenges, it is crucial to recognize our global interests. A "Fortress America" concept is untenable; if the United States is to continue to exist as we know it today, we are compelled to design a policy which recognizes our worldwide commitments and requirements. We pursue those interests through interactive economic, political, diplomatic and military means along a continuum which includes peace, crisis and conflict.

A new dimension of national security has evolved in the post World War II era. Today, nuclear weapons exist in the arsenals of numerous sovereign nations, including governments dedicated to the very antithesis of democracy and freedom. Wishing away nuclear weapons does not work. There can be no higher priority than to deter nuclear war -- this is the cornerstone of our posture, for without sufficient strategic nuclear deterrence our ability to pursue legitimate national interests in the international arena would become suspect. Strategic submarine forces with their inherent and unique survivability play a key role. The majority of U.S. strategic missile warheads today are at sea on our submarine-based ballistic missile force. Their invulnerability enhances strategic stability and contributes to the potential for arms control. Further, our sea-based tactical nuclear forces provide an important link in the stability of our deterrent posture by denying a potential aggressor any clear advantage through resort to limited nuclear war at sea.

The history of the nuclear era provides convincing evidence that conventional conflicts can and will occur despite the potential for escalation. Moreover, in the real world the international scene cannot always be defined with precision. Even today, we are technically at peace, yet we face crises in widely divergent locations where violence has erupted and is likely to erupt again. The need for limited operations such as Grenada remains a possibility, and the potential for broader conflicts will not soon disappear.

Naval forces underline American commitments and interests around the globe every day; their presence is a physical demonstration of our will. The United States Navy is presently operating off friendly, neutral and hostile shores; it limits conflict and controls crises in tension spots from the Caribbean to the Eastern Mediterranean to the Western Pacific; it asserts and reinforces principles of international law and freedom of the seas on a continuing basis.

As an instrument of foreign policy, seapower is sharp and precise. History provides repeated examples of the efficacy of maritime forces called upon to extend the reach of diplomacy on a global basis. There are many reasons for this. Most importantly, naval forces can be sent to the scene with small political costs compared to other military forces. Additionally, seaborne forces arrive ready to carry out all tasks which might be assigned. They need no major logistic support from overseas bases; they do not require access or overflight rights, and they have staying power. Their inherent mobility and flexibility make them an ideal instrument to blend in varying amounts with other foreign policy tools. Finally, they can be withdrawn easily when the job is done, leaving behind no physical, but strong symbolic reminders of their presence. US naval forces have been the principal tool of eight presidents since World War II in dealing with international incidents which required the use of military forces.

As has been evident in the crises of the past year, many of our friends in the family of nations are not among the rich and powerful, yet they play a major role in maintaining the security of the free world. Security assistance programs enhance the limited capabilities of friendly foreign military forces in a manner compatible with U.S. foreign policy objectives. Congressional support of security assistance, particularly International Military Education and Training (IMET), to strategically located friendly nations adds significantly to preventing crisis development and contributes as well to our overall ability to control and defuse limited conflict should it arise.

While we must deal on a regular basis with crisis and limited conflict, we must also be prepared to respond in the event of a major conventional conflict involving the Soviet Union. Our national military strategy is the framework within which our plans for responding to the Soviet threat are shaped, and that strategy provides the foundation for our maritime strategy.

U.S. Maritime Strategy

National military strategy rests on three fundamental pillars: deterrence, forward defense, and alliance solidarity. We seek to deter war, but if the Soviet Union or other countries initiate hostilities or conflict, we intend to defend ourselves and our allies as far forward -- in the direction of the aggressor -- as possible. The Navy does not plan to go it alone. Indeed, the mutual support of our sister Services and our allies in a coalition defense is the essence of our strategy of maritime superiority.

The Navy-Marine Corps Team makes the strategic difference in the national military strategy of deterrence by foreclosing options and creating uncertainties for the Soviets, forcing them to focus on a narrow range of strategic choices, while at the same time increasing the risk that those choices might fail. Should deterrence fail, our response to aggression could take one of four forms; we could attempt to meet force with like force at the point of attack, increase the intensity of the conflict, alter the geographic breadth of the conflict, or control the duration of fighting.

Holding at the point of attack leads to long wars of attrition and does not by itself generate pressure to end the war. Escalation -- especially the threat of escalation -- can deter attacks and discourage further actions once a battle is joined. But escalation is an option fraught with the most serious and frightening risks.

The Navy-Marine Corps Team provides useful options in the other potential responses to aggression -- altering the geographic breadth or duration of the conflict. Maritime superiority enables us to deny the enemy any advantage through expansion and permits us, if we choose, to take the conflict to a geographic area where the enemy does not want to fight. Our ability to seize the initiative and force diversion of Soviet resources helps to prevent them from calculating a sufficiently favorable "correlation of forces" to launch aggression. If a conflict arose, the Navy and the assault capability of the Marine Corps open options to gain leverage for war termination on favorable terms by threatening to outflank the aggressor.

The inherent flexibility of seapower which permits us to outflank a foe has a series of benefits. We can force the Soviets to spread forces around their perimeter, requiring a considerable commitment in personnel and material resources to the defense of otherwise secure flanks in the Baltic, the Kola Peninsula, the Black Sea littoral, and the Soviet Far East. They must commit resources to defend against a multiplicity of maritime operations, developing counters to submarines, surface ships, aircraft, missiles, mines, and amphibious and special forces. Maritime forces link the North American, European, and Asian elements of our global alliance. The Navy discourages the Soviets from contemplating division of the system and piecemeal attack.

Finally, should it become necessary, the Navy is central to our ability to outlast any aggressor. Secure sea lanes and assured resupply and reinforcement of the battle area confront the enemy with the possibility of a longer, tougher fight than he can sustain. The Navy's sealift capability, including the crucial mobilization capacity of the Merchant Marine, is central to our staying power. While prolonged conflict is not an objective, we must nonetheless prepare for such a possibility. History reminds us that wars tend to last longer than anticipated. As wars extend, seapower has played an increasingly dominant role. Confronting a potential aggressor with the prospect of a protracted, exhausting struggle serves deterrence well.

The Navy also makes a powerful and effective contribution to war termination. Its inherent survivability and mobility, well employed, ensures it will still be available to the nation at the close of hostilities. The Navy is the optimum secure reserve force which will ensure a post-war world more congenial to us than to our adversaries.

I said earlier that we do not intend to go it alone. We know that any major conflict will involve our allies and recognize the importance of their contributions. To the extent possible, we structure our forces to take advantage of the role allied naval forces might play. In particular, allied capabilities in mine warfare, air defense, barrier submarine operations, maritime patrol, and associated infrastructure are important elements in maintaining maritime superiority.

If our military power can be isolated from reaching and supporting our allies, we can have little hope of prevailing in a military conflict or terminating such a conflict on terms favorable to the United States or its allies. Indeed, if we cannot project and sustain our military force in the forward defense of our allies in Europe and Asia, we could be isolated and reduced to defending our own shores. The Soviet Union has developed and continues to develop formidable naval forces which the United States and its allies must be prepared to defeat decisively if we are to deny the Soviets success in a major conventional conflict.

Naval forces must plan for rapid and vigorous offensive operations in the European theater if the national strategy is to succeed. We will be required to operate in close proximity to the Eurasian land mass and defeat a combined arms Soviet maritime threat including surface, sub-surface, and air strike forces. A forward defense on the central European front must be complemented by an equally forward strategy on the flanks and in Northeast Asia. NATO faces the Soviet homeland across a single border on the flanks and can carry the war directly to the Soviets. Inability to defend NATO's territorial integrity would seriously weaken the forward strategy.

We must defend Iceland and Northern Norway. Maritime forces are central to that effort. The air/land engagement on the northern flank and the maritime engagement in the Norwegian Sea are inseparable elements of one battle. Maritime forces will be required to engage and defeat the Soviet fleet to control the northern flank. Without such control, a forward defense in the center will be vulnerable. Nor can we cede the Mediterranean if we hope to maintain a united allied front. Here again naval forces will play the key role in maintaining the integrity of the southern flank.

The maritime strategy I have described is a joint effort and the other Services, particularly the U.S. Air Force, can add significantly to our capability with command and control, early warning, air defense, mining and logistics assets. I continue to pursue more effective cooperation with the other Services as a top priority in enhancing our ability to execute the forward maritime strategy. Recent exercises in the North Pacific, North Atlantic, and Caribbean provide heartening evidence of our increased capability to operate jointly at sea. Air Force aircraft controlled by Navy ships and air controllers, and Navy aircraft controlled by Air Force (AWACS) controllers actually intercepted Soviet forces attempting to reconnoiter a major fleet exercise.

While the United States will attempt to control and limit the extent of any conflict, it would be unwise to conclude that a conflict with the Soviet Union could be geographically contained and to plan only for that occurrence. The United States and the Soviet Union are global powers. As such, we face each other in many areas around the globe and we must be prepared for the possibility that a conflict could extend to other theaters. We should ensure that the USSR would never benefit from such an expansion. In this regard, naval forces in the Pacific and other theaters outside NATO play a key role in controlling Soviet ability to expand a conflict for their own benefit. Moreover, our ability to move offensively in the Pacific ensures the stability of our allies and forces the Soviets into a defensive posture in that region --directly contributing to our ability to limit and control a major conflict.

Naval Operations

My description of the utility of our Navy and Marine Corps in peace and crisis as well as limited conflict is not an intellectual exercise, but a reflection of naval operations over the past year. The Navy has been fully committed in support of national policy.

The odyssey of the RANGER Battle Group provides an important example of that commitment and the value of flexible operational scheduling. Deploying from her homeport on the west coast in July 1983, RANGER and her ships in company were diverted on short notice to proceed to waters off the coast of Central America in support of national security interests in the region. After successfully completing that mission, the battle group sailed on towards its original destination in the western Pacific.

With the escalation of the Iran-Iraq war and the attendant threat to the Straits of Hormuz, RANGER was rushed to the Indian Ocean. There her battle group demonstrated our commitment to maintain the integrity of vital Persian Gulf and Middle Eastern oil Sea Lines of Communication (SLOCs). Of course, the battle group could also have been employed if confronted with any sudden escalation in Lebanon.

After 122 days without a port call, RANGER returned again from the Indian Ocean to duties in the South China Sea during the final stages of her eventful deployment, having been relieved in the Indian Ocean by the forward deployed MIDWAY Battle Group. This is but one example of the flexibility of naval forces. I could provide other examples from the 10 battle group deployments in 1983, every one of which was diverted in some manner from its initial deployment schedule in support of national security policy.

In addition to eight of thirteen carrier battle groups, three Amphibious Ready Groups with embarked Marine Amphibious Units, and a substantial portion of our multi-mission nuclear attack submarines are at sea ready around the clock to defend Americans and American interests, as well as to support our allies. Strategic ballistic missile submarines are continuously deployed to the far reaches of the world, providing strategic deterrence and enhancing international stability. Not only the ships, aircraft, and submarines are on station; at this very moment, over 110 thousand Navy men and women are at sea, underway in all parts of the world from our home waters to the Persian Gulf, and from the Aleutians to the vast expanses of the South Pacific. An additional 50 thousand of the Navy's personnel force are deployed away from the continental United States, serving their country far from home, family and friends, most of them for periods of six months or greater.

The first deployment of the modernized battleship NEW JERSEY provides an example of the flexibility demanded of our naval personnel. Departing homeport in June and arriving in the western Pacific for what was to be a relatively short shakedown cruise, she was diverted from a return to homeport to provide a naval presence off Central America, and then ordered to the Mediterranean in support of our peace-keeping forces in Lebanon where the ship remains today for an indeterminate stay. This unusually extended deployment also provides an example of the ability of our Naval Reserve forces to contribute when needed. In the period of one weekend, more than 650 reserve personnel volunteered for duty onboard NEW JERSEY over the Christmas and New Year Holidays so that active duty crew members, who had been away from their families for six months, could spend the holidays at home. We temporarily recalled 135 volunteers. Contrary to the expectations of some, we have never been short of people to man our battleships. The patriotism and determination exhibited by the crew of NEW JERSEY and those reservists who volunteered to relieve them during the Christmas season is heartwarming. We should never forget that they are serving their country with the most precious assets they possess -- their time and their lives.

While maritime strategy in large scale conflict provides the principal underlying rationale in building an effective Navy, a vital day to day concern for the current operating forces is the real threat presented by international terrorists. The 23 October 1983 Beirut bombing which killed 241 of our servicemen leaves no doubt that we are subject to brutal acts of destruction and killing at any time.

Other recent activities of state sponsored terrorists have demonstrated that we live in a world which is only nominally at peace. Today, and every day, we must be prepared to counter adversaries who routinely approve of and commit unequivocable acts of war. Understanding the true nature of this situation is equivalent to realizing that we are already in "harm's way." The inherent flexibility in employment, natural mobility, and modern military capabilities of naval forces are important advantages which we are using to recover and maintain the initiative against potential terrorists. An example of our overall effort to deal with this issue is the modification of the peacetime Rules of Engagement to reflect current international realities. Deployed naval forces are now operating under a new set of engagement guidelines that establish a proactive posture designed to prevent potential terrorists from completing a successful attack. This approach to denying terrorist adventurism is particularly important in the Persian Gulf and Eastern Mediterranean.

For our forces ashore, I have directed implementation of specific initiatives to improve Navy Physical Security including such things as: establishment of a Navy Anti-terrorist Indication and Warning Alert Center, augmentation of guard forces, and indoctrination of all personnel into the generic and regionally specific threat. Being prepared to deal with acts of war demands no less. I believe the world must know that Americans have the will, and that U.S. military forces have the capability to defend U.S. security interests and to remain firm in the face of fanatical, but often covert and cowardly enemies.

The capability to meet operational requirements over an extended period depends heavily on our ability to build and man the 600-ship Navy with its 15 carrier battle groups and amphibious lift for the assault echelons of a Marine Amphibious Force and a Marine Amphibious Brigade. In terms of hardware, we are in sight of the 600 ship goal with about 525 ships in the inventory by the end of this fiscal year and another 88 on contract. We will reach 600 ships and the associated air wing strength in 1989 as planned.

Congressional interest and support in achieving that goal have been crucial and, in view of recent world events, rightly founded. However, I am greatly concerned over manpower ceilings specified by Congress which make it impossible to man those forces properly. Solutions to manpower deficits take time; we must begin now to recruit and train the people to operate and support those 600 ships. A large percentage of the manpower requested is active duty since they will be serving aboard ship and aircraft squadrons slated for lengthy overseas deployments. Growth in reserve manpower is significant and about all we can achieve. This increase is being targeted to replace active forces whenever it makes sense.

Since the end of World War II, U.S. naval forces have been continuously engaged in an increasingly difficult and complex effort to safeguard national interests throughout the world. They have been an essential element in our deterrence while also uniquely capable of safeguarding our national interests in crises and regional conflicts worldwide -- as demonstrated over the past year in Grenada, Central America and Lebanon. The Navy also remains prepared to establish maritime superiority and make major contributions to the successful outcome of any extended or major conventional conflict while continuing to play a major role in the maintenance of the strategic nuclear deterrent.

We look to sustained Congressional support to modernize and man the U.S. Navy. Your help will ensure that we continue to be an effective instrument in achieving the full range of national security objectives.

THE NAVY TODAY

Last year at this time, I reported to you on my positive views regarding "the current state of the Navy because of the favorable trends developed with your support." I am pleased to report that favorable trends continue. Over the past year we have again increased the overall readiness and capability of the U.S. Navy in consonance with our long range objectives. Improvements to both active and reserve navy components have proceeded in a balanced and integrated manner to ensure maximum total force effectiveness over the broad range of maritime strategy needs.

While we have made progress in rebuilding our badly eroded maritime strength, the U.S. has not undertaken an uncontrolled naval expansion. Ship force levels have grown at an annual rate of approximately 2.5% since 1981 and are projected to grow no faster in the future. Navy active enlisted personnel strength has increased at an annual rate of approximately 2.5% since 1981 and will require no more than 2% annual growth until the 600 ship Navy goal is reached. These growth rates are both achievable and affordable.

Personnel

Conventional wisdom subscribes to the hypothesis that, in military operations, it is people who make the difference between success and failure. I subscribe wholeheartedly to that premise. Even with the mechanization and automation provided by modern technology, there is still no substitute for an intelligent, well trained force of patriotic men and women.

Navy planning over the past few years has placed great emphasis on building a professional, disciplined, and properly manned total personnel force. Our program begins with recruiting enough people with the required skills and aptitude. Next comes training, both formal and on the job, which enables our officers and sailors to perform both individually and as part of a team. Finally, we must retain those people who through their performance demonstrate potential for future professional growth. I am happy to report that we have been successful in all three areas during the past year. Our success in meeting the challenge of managing the dramatic increases in naval reserve personnel will be detailed in the discussion focused on Naval Reserve capabilities.

Active enlisted recruiting results, for the third year in a row, reached 100% of the goal. More importantly, nearly ninety percent (60,000) of the Non-Prior Service (NPS) male enlistees had high school diplomas -- well above the expected 57,000.

Significantly, aptitude test scores continued to increase and were overall 11% above original FY 83 recruiting goals. These results continued the improving trend of recent years; however, this should not be seen as proof that 1985 will be like 1983. A decreasing manpower pool, improving economy and expanding civilian employment opportunities will clearly increase the difficulty of recruiting quality personnel.

Progress in retention has been equally impressive during the past year, as indicated in Table 1. First term, second term, and career enlisted retention rates have surpassed goals for the third year in a row, and represent dramatic improvements in the retention picture. Retention gains have contributed to a reduced petty officer imbalance -- from a high of 22,200 in FY 80 to a present day figure of 9,300 -- which in turn has resulted in improved force readiness. Experience levels as measured by the increase in the career enlisted force have risen about 21% in the past three years. As a result, we can train our young people better, reduce corrective maintenance actions, manage resources better, and generally minimize waste through a healthier, more professional leadership base.

Officer retention improved in all communities, but strength figures have not yet reached the levels required to eliminate midgrade shortfalls in the Surface Warfare, Pilot and Submarine

Warfare Officer communities. Imbalances in those communities are classic examples of how previous difficulties in recruiting and initial retention can cause present day middle grade shortages. These shortfalls attest to the need for maintaining positive momentum in recruiting and retention efforts for both officer and enlisted.

TABLE 1

Enlisted Retention

	FY 81	FY 82	FY 83	FY 84 (GOAL)
1st Term	41.7%	50.3%	55.7%	50%
2nd Term	56.9%	63.0%	65.4%	65%
3rd Term	94.1%	95.3%	96.6%	95%

Officer Retention

	FY 81	FY 82	FY 83
Surface Warfare	42%	43%	45%
Pilot	42%	49%	58%
Naval Flight Officer	65%	73%	74%
Nuclear Submarine	33%	39%	46%
General Unrestricted Line	46%	44%	60%

Our most serious problem is the 26 percent shortage of experienced nuclear qualified officers. Year groups entering these pay grades are particularly small due to chronic accession shortages and inadequate retention. Consequently, the nuclear officer shortage in the ranks of Lieutenant Commander through Captain will worsen to 33 percent by FY 89, as indicated.

Midgrade Nuclear Officer Shortage

	FY 83	FY 86	FY 89
Deficit	495 of 1886	635 of 1995	689 of 2065
Percent	26	32	33

The solution to the severe midgrade nuclear officer shortage has three vital components. First, we must minimize losses from the existing midgrade group; second, we must meet our retention goals for junior officers; and third, we must provide for consistent achievement of accession goals.

External factors contributed to recent improvements in recruiting and retention. The Administration's Fiscal Year 1981 and 1982 compensation initiatives coupled with high unemployment in the private sector helped both recruiting and retention. Surveys indicate that competitive compensation, retirement system stability, and the value of non-pay benefits shape retention decisions of our highest quality careerists. The special and incentive pay structure has had a marked effect on retention of personnel in critically undermanned or particularly arduous jobs.

Increased retention is the primary reason for our improving readiness. For example, the mission capable rate for aircraft, an indicator which measures the level of personnel manning and training as well as funding for spare parts and support equipment, has increased from 59.2% in 1981 to 66.3% in 1983. The combat readiness rating for aircraft squadrons, a wartime readiness measure, has risen 24.2% over this period. The combat readiness rating of all types of surface ships has risen 14% over the same period. Our studies show that people have made this difference. Clearly, the pay raises since 1981, and improved special pays for skilled personnel such as Career Sea Pay, Aviation Officer Continuation Pay, Nuclear Officer Incentive Pay, and the Selective Reenlistment Bonus are cost effective initiatives which directly influence combat readiness.

Despite the progress made in recent years, we still face personnel shortages and imbalances. This is not the time to transmit negative signals on specific issues of pay and benefits. Any decreases, real or perceived, in total compensation including insensitive attacks on the only remaining stable element of today's compensation package, i.e., the retirement benefit, could combine with an improving economy to erode and reverse the recruiting and retention gains already achieved. Such a result could prevent the Navy from reaching future force structure goals. The current pay and benefits system maintained by competitive pay raises will keep our ranks fully manned with capable men and women.

While we must continue our recruiting and retention successes to maintain the force, the Navy could not meet even the most basic of military missions without proper training. The Navy's training program is an integral part of total manpower planning. The increasing sophistication of equipment requires that individual training courses continually be reviewed. We must enroll only properly qualified individuals and send sailors to fleet positions who are thoroughly trained to operate and maintain their assigned equipment.

Added emphasis on training combined with new and strengthened management initiatives in this vital area can significantly increase warfighting readiness in a cost-effective manner. To this end, we have developed a comprehensive Navy-wide training strategy. We are reviewing our curriculum to eliminate redundancy by ensuring that each training segment is tailored to individual needs at specific career points and builds upon previously received skills. We are also embarking on a program to improve our ability to assess training Navy-wide. To ensure that we continue to pursue each of these initiatives, I personally assess our progress in semi-annual reviews.

Individual training provides the base for training readiness, but unit and multi-unit training exercises are the vehicles which make the fleet ready to meet national tasking. We have emphasized an entire spectrum of multi-unit training exercises from the simple, with two or more ships, to the complex, with multiple carrier task groups in joint and combined exercises.

Our people are ready in all aspects to operate and maintain the fleet, both in home waters and in the far reaches of the world. The talented youngsters who are now volunteering to serve are well matched to our modern weapons systems. Continued Congressional support of resources for recruiting, retention, all aspects of training, and manpower distribution will ensure that they remain so.

The 600 Ship Navy

The credibility of overall military capability relies on a balance between individual unit capability and the total numbers of units available. It is easy to lose sight of this relationship in the process of counting assets without regard for total capability. While there was no net numerical increase in fleet battle forces this past fiscal year, the increase in capability was substantial. A number of older and less capable ships at the end of service life were retired, but total fleet capability increased as a comparable number of far more potent units were commissioned.

Ships added to the force include: battleship NEW JERSEY, the first AEGIS cruiser, TICONDEROGA, nine OLIVER HAZARD PERRY class frigates, three LOS ANGELES class attack submarines, and two OHIO class nuclear ballistic submarines including the recently commissioned GEORGIA. These ships represent an improvement in our posture in all naval warfare and deterrent roles. The unique capabilities of NEW JERSEY to provide fire support for our Navy-Marine Corps team as well as serve as the principal ship of a surface task group for presence and sea control tasks have been well documented this past year. IOWA will join NEW JERSEY in providing these important fleet capabilities fully nine months ahead of our original deployment schedule. The addition of modern frigates to the force brings the Navy one step closer to meeting peacetime deployment escort requirements and having the minimum prudent level of escorts for the wartime mission of protecting vital shipping, underway replenishment groups and amphibious forces. The increasing numbers of progressively more modern nuclear powered attack submarines are playing an important role in our capability to support our forward strategy because of their unique capability to fight and survive in enemy waters. The additional TRIDENT submarines provide another major increment in an effective nuclear strategic deterrent.

The carrier Service Life Extension Program (SLEP) is the cornerstone of our plans to ensure modern carriers for the fleet, and stability in carrier force levels through the turn of the century. Both goals are being achieved at a fraction of the cost of new carriers. USS SARATOGA rejoined the fleet this past year and is now part of the fleet operational employment cycle. USS FORRESTAL has reached the middle of a SLEP process whose management has been improved by lessons learned from SARATOGA. Actions include: increased technical guidance and inspection requirements for boiler and weapons elevator repairs; increased inspection and oversight by Naval Sea Systems Command Headquarters and Shipyard Operations review teams; and increased crew involvement in quality assurance.

As with ship force levels, maintaining aircraft inventories must include a carefully balanced program to ensure individual aircraft capability and the proper numbers of each. Aircraft deliveries during the past year remained on schedule to match the build-up required by the 600 ship Navy. A total of 274 new aircraft entered fleet inventories including the F-14, the F/A-18, currently used by both the Marine Corps and the Navy, and the EA-6B. The replacement of F-4 aircraft by F-14 models continues, providing the carrier battle groups with an expanded zone of air control. The introduction of the F/A-18 with its ability to function effectively in either the fighter or attack roles provides sea based air wings with not only the latest in aircraft technology, but the flexibility to tailor quickly carrier air operations to a variety of threats. We are also examining a new concept of flexible air wing composition to take advantage of the versatility of our newer aircraft and the unique characteristics of our modernized A-6.

Naval Reserve

With a mission defined by law to provide trained units qualified for active duty in time of war, national emergency, or as national security dictates, the Naval Reserve forms a critical part of the Navy's total capability. As with many other vital areas, the inadequate resources of the seventies degraded our ability to support a modern, ready and capable wartime augmentation force. The need to maintain a visible deterrent force and support a forward deployment posture caused resources to be allocated to sustain active forces and operational capabilities. The Navy recognizes that a balanced total force must have the ability to meet peacetime deterrent responsibilities, potential surge requirements for limited conflict, and the general mobilization required for global war. We have worked hard in recent budget submissions to address reserve deficiencies and to achieve a balanced total force.

This increase in emphasis and resource allocation since 1981 has resulted in a significant and rapid expansion of Naval Reserve Capabilities. The planned and executed increase in the Naval Reserve personnel force has been dramatic. The force increased at an annual rate of 5.5% through 1983 and the program approved by Congress for Fiscal Year 1984 will mean an end strength increase in this fiscal year of close to 12%. These increases are in strong contrast to the relatively small active duty increases in the neighborhood of 2% per year, and are at the upper limit of what our manpower acquisition models predict is possible to achieve. This vital expansion in personnel strength is matched to an aggressive resource allocation strategy to modernize and properly support the Naval Reserve. Since 1981, resources devoted to maintain and grow the Naval reserve capability as part of our total force have been increased in real terms at an annual rate of 14 percent through FY 84. These achievements in personnel growth, support and modernization have occurred at about the maximum possible efficient rate.

We are not resting on previous achievements, and a number of actions taken this year will improve and upgrade the Naval Reserve as well as ensure integration of reserve and active forces. We have directed a policy of total horizontal integration of the naval reserve air and surface forces. We have developed comprehensive plans to correct equipment deficiencies in all segments of the Naval Reserve. We have programed for reserve force structure increases and modifications. We have established a Flag Officer oversight committee to monitor all Active-Reserve mix issues. A Total Force Advisory Group, directed by a flag officer, has been formed to analyze all budget issues and new initiatives to ensure reserve forces have the necessary resources to obtain and maintain a high state of readiness. These groups will also reexamine appropriate reserve roles and missions.

These actions are only the latest round of initiatives to strengthen Naval Reserve forces. Examples of previous modernization initiatives which came to fruition in the past year include: transition of the first reserve air squadrons from the

A-7B and E-2B to the modern fleet compatible A-7E and E-2C aircraft; activation of an additional Shore Intermediate Maintenance Activity, the latest in a series of reserve manned maintenance facilities commissioned in the past few years; and introduction of the fifth and sixth FF-1052 class ships into the Naval Reserve. By the end of FY 84, the reserve forces will man their first F/A-18 squadron, their first 3 FFG-7 ships, and their first HSL LAMPS MK I squadron to support a modern ASW helo capability for reserve frigates.

As we examine potential missions for the Naval Reserve, a major concern is that reserve forces must be available at the proper time -- which in many cases could mean prior to mobilization during a period of prehostility. For instance, support functions for the Maritime Prepositioning Ships (MPS) have been assigned in large measure to the Naval Reserve Cargo Handling and Construction Forces. We depend on their availability during periods of high tension. If these or any similar forces assigned to the Naval Reserve were not available when required prior to hostilities, it could seriously impact our overall capability.

Congress has frequently given the Navy specific directions regarding reserve management, even dictating manning levels and administrative control of individual reserve units in some cases. Direction at this level of detail is not helpful in achieving our shared goal of expanding, where possible, the contribution of the Naval Reserve. We continue to review our roles and missions to identify broader, cost-effective reserve contributions. We also recognize that a more intense effort is required in this area and anticipate reporting to you on a comprehensive plan as well as specific initiatives in budget reports and supplemental submissions.

Crisis Response

I want to call your attention to an important funding issue in the readiness area. The Navy is not allowed to budget for contingencies, and for years has absorbed within already appropriated funds the additional operating costs associated with crisis tasking. We have thus far accommodated these expenditures in the short term, but such unplanned costs degrade material readiness over the longer term. The incremental costs for the many unplanned contingencies that arose during the previous year illustrate the problem. The Navy share of Lebanon operations alone cost $51 million, to say nothing of Grenada, Central America, and the KAL 007 downing. The use of those funds to cover unplanned contingencies left unfunded some crucial items in the readiness accounts, including spare parts and material support.

Additionally, the operations and maintenance account is a favorite target for initiatives to reduce outlays and is frequently caught in a deadly squeeze. Congressional reductions and unplanned contingency costs erode our ability to realize the full benefit of planned improvements in material readiness. The Flying Hour Program (FHP) is an important counter example to this trend. Congressional actions which improved FHP funding in FY 84 were both welcomed and appreciated. This remains a very tightly constructed program and your continued support in FY 85 is solicited.

There are positive aspects to the contingency operations we have conducted. Navy personnel are obtaining the benefit of some of the finest training that they could possibly receive. As a side issue, the flexible operations concept has minimized additional costs. Wherever possible, contingencies have been met with forces already scheduled for deployment and available for immediate use, avoiding massive rescheduling of forces and reallocation of resources while minimizing additional underway ship days. Even more significantly, this procedure minimized the hardships imposed on personnel by additional extended or unplanned deployments.

Research and Development

Modernization of naval forces can only be as good as the program of research and development that supports the acquisition process. Fleet effectiveness today is a result of forward thinking individuals who made yesterday's ideas today's reality. The successful results of numerous Research and Development (R&D) programs are now entering the fleet and improving our capabilities in all areas. The introduction of AEGIS, improved acoustic processors used in our ASW patrol aircraft, Vulcan Phalanx Close-In Weapons Systems and fast hydrofoil patrol combatants being used so effectively in the Carribean are a few examples of those products. Our research and development efforts are balanced to stay ahead of the threat with programs such as MK-48 ADCAP, MK-50 ALWT and JTIDS, and to take advantage of future breakthroughs in technology. Low observables and directed energy weapons technology are excellent examples of areas where important scientific phenomena can be harnessed to increase our future maritime strength.

There are two R&D management issues I want to highlight. We have initiated several management reforms to help us acquire our planned systems. Tighter, simpler acquisition processes are in place at all levels, governing the definition of requirements, the acquisition decision process, and how we document what we are about. They will ensure that programs are of the highest priority, can be given the attention necessary for efficient development and production and, most importantly, that the end products will be affordable. To that end, over the past four years new starts in R&D have been cut in half, and we have reduced the number of R&D projects by 100 (521 to 421). These new management procedures have only recently been instituted and the full payoff is ahead.

Secondly, 239 of 319 line items in the FY 84 R&D budget were changed directly or indirectly by Congress at least once during the legislative process. House committees were responsible for 147 changes while Senate committees were responsible for 129. Many programs were modified several times over the year with 93 eventually restored to the original budget proposals. At the end of the process, 173 of the 319 individual programs survived as submitted, but total proposed R&D funding was effectively decreased by 7.5 percent. All parties concerned spent considerable time in this evolution with not much to show for the effort. Dedicated, hardworking Navy program managers attempting to manage these many R&D line items spent most of the year wondering just what impact Congressional actions would have and how they could hedge against uncertain funding. This redirection of a large volume of R&D line items is a relatively new phenomena. For example, in 1970, the Congressional review resulted in changes to only 5 programs, and as late as 1975, only 23 programs were affected. This level of involvement in R&D management is an unnecessary destabilization of the acquisition process. We need to work together to improve this situation.

The total 7.5 percent decrease to R&D funding was a significant setback to our efforts in the past several budgets to restore overall R&D funding to the historically proven levels of adequacy. The technological lead that the U.S. Navy currently enjoys over the threat is a product of R&D budgets that in the 60's and 70's approximated 10% of total Navy funding. Increases in the present budget are in the underfunded tactical area and only approach adequate R&D funding. We must ensure that these levels are maintained for the remainder of the 80's if we are to maintain an edge on the technological competition.

Technology Transfer

Technology transfer remains a subject of major concern to me. It is a matter of public record that the U.S. is numerically inferior to the threat in almost all categories of military hardware. We rely heavily upon qualitative advantages to tip the balance in our favor. Our productive development programs and utilization of modern technology have given the U.S. the lead in a number of areas: Anti-submarine warfare, sea based strategic deterrence, and sophisticated, carrier capable aircraft to name just a few. Unfortunately, the Soviet Union and its surrogates continue to mount a systematic, and all too effective effort, using both legal and illegal means, to steal the free world's technology base. In some critical instances, their effort has provided big dividends, shrinking our once eight to ten year technology lead to an uncomfortable two to three years.

Acquisition and application of our technology by the Soviets allows them to remain state-of-the-art without expenditure of massive amounts of time and money for research, development and testing. It means that each of their rubles spent on military hardware goes further and is multiplied by the dollars we spend on research and development of systems and technologies which are then pirated nearly free of charge. It is ironic that our nation is currently being targeted by Soviet weapons at least partially developed by Americans and partially financed by our tax dollars. We must do whatever is necessary to withdraw from this arms race against ourselves, where we must counter our own advancement because it has been bought, given away or stolen off the shelf, and then integrated into the Soviet military machine.

Several urgent suggestions regarding the defense R&D budget are pertinent. First, we must do everything possible to prevent the Soviets from benefitting from the dollars we spend for research and development. Protecting our critical military technology will go a long way towards increasing the cost effectiveness of the defense budget. Secondly, through our international cooperative R&D programs with our allies, we must continue to exchange technology when mutually beneficial, particularly to eliminate redundancy in R&D expenditures. Third, it is imperative that we not dither away the narrow technological lead I have described with endless reviews during the development and acquisition process. We have recently made some important policy improvements in this area. Acceleration of the acquisition process is a national security policy issue more suitable for Congressional review than the endless perturbation of the R&D budget which I described earlier. Finally, the Navy is fully cooperating with the DOD program aimed at developing and implementing more stringent technology transfer policies and control procedures.

Naval Space Command

The catalyst that integrates surface, sub-surface and air strike forces into an effective open ocean fleet is adequate surveillance, command, control, and communications systems. We have taken another step forward in this area during the past year with the formation of the Naval Space Command. Admiral Hayward's description of the situation in 1981 is still accurate today: " . . . the very survivability and battle utility of naval forces are inextricably linked to full and imaginative use of opportunities in space." We rely today upon space-based systems to perform vital command and control, communications, navigation, environmental, and surveillance functions. The Navy is by far the largest tactical user of space-based systems.

Formation of the Naval Space Command is the latest in a series of actions which recognizes the importance of space control to sea control. The Navy Space Systems Division within my staff was formally organized in 1981. In 1982, space operations and engineering subspecialties were defined, postgraduate degree programs in space operations and engineering were initiated at the Naval Postgraduate School, and a flag officer was assigned to head the Navy Space Project Office within the Naval Material Command. The new Naval Space Command will allow us to provide better coordination in the operational use of space capabilities and resources as well as support the coordinated mission and hardware development activities for current and future space activities.

Modernization in surveillance and C^3 activities is clearly tied to space development initiatives, now as in the past, and the Navy is actively involved. For example, our communications capability will be enhanced this summer by the launch of the first Leased Communications Satellite (LEASAT). The Navy Extremely High Frequency satellite package and terminal program is being developed to provide wartime essential communications. The space based NAVSTAR Global Positioning System will allow precise location capability to every Naval functional warfare area. The Navy will continue to have a vital and active interest in space and, as in other areas, will work closely with the other Services to assure a clear definition of our respective roles and a truly synergistic effort.

Management

Last year I reported on the Navy's efforts to improve management policies and procedures. Progress continues. We well understand our responsibility to administer defense funds with the utmost care and fiscal prudence. In all phases of building and operating a Navy, from the planning and programming to execution, cost-consciousness is a central theme. We will continue to reevaluate objectives and programs with the goal of achieving the most for the least expenditure of taxpayer dollars. I hold every uniformed and civilian manager accountable for his stewardship of public funds.

The unreasonable prices demanded for certain spare parts became a matter of public concern over the past year. The problem was initially revealed by internal Defense and Navy Department personnel implementing a well established program expressly designed to expose management inefficiencies. We continue to strive to discover cost problems, to analyze their causes, and to take appropriate actions where necessary. In an all out effort to eliminate pricing abuses in spare parts procurement, Secretary Weinberger announced a ten-point defense-wide program. The Navy in turn initiated a special project termed BOSS -- Buy Our Spares Smart -- to solve the Navy's part of the problem.

Project BOSS includes over 100 initiatives to date which in part provide for: decreasing the cost of spares by purchasing directly from the original equipment manufacturer or by competitive means instead of buying sole source from prime contractors; expanding competition in the procurement of all spare parts; paying only the "should cost" value of spare parts; assuring that the procurement work force is properly trained; and, most importantly, providing reports to the proper authorities when prices appear unreasonable. Examples of the specific implementing portions of this program include: PRICE FIGHTER, a team of experts dedicated to review spare parts to determine their intrinsic value; introduction of specific training courses on the fundamentals of pricing; and encouraging all employees to challenge unreasonable spare parts prices by direct use of a "hotline" installed specifically for this purpose.

Although just being implemented, Project BOSS already has helped to avoid unreasonable expenditures. A few examples include: changing the sole source contract for two special gimbals to a competitive offer with savings of $300,000; obtaining technical data from an original manufacturer which allowed the procurement of an internal replacement part vice an entire unit for a savings of $40,000 -- over 80% of the originally projected cost; and awards to two dedicated employees who together saved the government almost 2 million dollars because of their initiative to locate competitive sources for contracts that were previously sole source. In addition, the PRICE FIGHTER team has in its first month of operations identified potential cost savings of $1.4 million on 28 items which appear to be priced significantly in excess of their reasonable value.

In order to achieve our objectives of obtaining major hardware contracts at the lowest possible realistic prices, we realize that sound business practices must be applied throughout the procurement process. Increasing competition in all types of procurement is an integral part of our program. To this end we appointed a flag officer to be our first Competition Advocate General and his efforts have paid substantial dividends. In FY 83 the Navy competitively awarded $13.2 billion, or 30.5% of our total direct purchase dollars, an increase of 40% over the FY 82 figure of $9.4 billion. Increased competition was principally responsible for cost savings of over $480 million dollars on eleven FY 84 contracts totaling $5.9 billion.

The Competition Advocate General has also successfully contested and resolved contractor assertions of proprietary rights in spare parts requirements. An increasing number of major Defense contractors are now providing asserted proprietary data without charge. This will allow the Navy to achieve substantial cost savings by the use of competition for increasing numbers of spare parts.

Navy managers continue to emphasize other sound business practices including production stability to allow contractors to plan ahead. Early planning for competition will result in 90% of planned five-year new construction and conversion programs being awarded competitively. Similarly, by utilizing proven commercial standards and specifications where possible, we foresee additional cost savings under the five-year shipbuilding program. Finally, industry is being encouraged to use new manufacturing techniques and technology to improve productivity and save taxpayer dollars.

In a broader management context, we are continuing to strengthen our Fraud, Waste and Abuse Prevention Program. Under the guidance of the Naval Inspector General, a comprehensive plan has been developed which combines the many independent programs already in existence with a number of new initiatives to strengthen management at all levels. Updated training programs, an increase of internal audit and inspection billets, the establishment of a Navy hotline for direct reporting, a revised standards of conduct directive, more rapid reporting of uncovered problems, and increased recognition of employees through performance ratings and special awards are only a few aspects of this important program.

In our internal investigations to determine problems and develop corrective plans, we uncovered a number of areas where we need the direct support and involvement of Congress. Appropriation of adequate resources for the personnel and Automatic Data Processing (ADP) assets can make the difference in managing the spare parts accounts. Unfortunately, Congressional budget and personnel reductions over the past few years have adversely affected exactly the areas where we need more support. Obsolete and inefficient ADP hardware must be replaced. If we are to gain full benefit from project BOSS initiatives and reach our FY 85 goals in inventory record accuracy, additional civilian end-strength of 735 must be devoted to spare parts and related inventory management with additional resources allocated in the out years.

We have placed special emphasis on management of data processing and, more importantly, of information itself during the past year. At our request, the National Academy of Sciences created a group of outstanding professionals in information sciences from industry and academia to suggest improvements. We have received their recommendations, have implemented some, and are at work on the remainder.

Over the past several years, I have witnessed large increases in Congressional requests for information above and beyond the already voluminous material forwarded as part of the budget review process. This trend has taken place against a background of Defense Department reductions in headquarters staff personnel resulting from internal pressures and Congressional mandates. As a result, we face an increasing workload to respond to Congressional inquiries and perceive much greater Congressional involvement in the management of Navy programs.

I have mentioned the Naval Reserve and R&D, and offer two other examples of outside management which may not increase efficiency or effectiveness: an additional independent testing organization separate from those already in operation and the requirement to obtain "warrantees" for military hardware.

I have serious doubts that placing a new organization on top of an already existing and highly effective testing organization, such as the Navy's Operational Test and Evaluation Force (OPTEVFOR), is an efficient use of resources. OPTEVFOR has been functioning for many years as a truly independent test and development agency for the Navy in all major acquisition programs and is essentially the model for the new DOD organization and other Service agencies. The creation of a new organization as directed by Congress will certainly lengthen, not shorten, the overall development and procurement cycle.

The requirement to obtain warrantees for military hardware, while again well meaning in concept, will not achieve the desired results of greater reliability and lower overall military acquisition and operating costs. Military hardware designed to meet and defeat the threat does not, and cannot, come from the same mold as the average household toaster or television set. Many military products necessarily involve state-of-the-art technology, are required to operate in extremely hostile and unforseen environments, and must tolerate abuse well beyond that found in the home. Forcing manufacturers to guarantee a military product has the potential of increasing the cost of equipment, reducing the number of competitors, shrinking the defense industrial base and, in the long run, making it more costly to maintain the military posture to deter war and defeat the threat.

THE NAVY'S BUDGET

The Navy's budget is not just an abstract exercise in balanced funding. The balance between the four pillars -- readiness, sustainability, modernization and force levels -- reflects a comprehensive and iterative process which examines and analyzes in considerable detail the various hardware, manpower and supporting programs that are necessary to execute in the most cost effective manner the maritime strategy which I have described. We continually test and evaluate our maritime strategy and theater concept of operations against real world constraints by the use of wargaming, carefully planned Fleet Exercises and feedback from current operations at sea. The results are not only beneficial to developing a realistic and executable maritime strategy, but also provide the blueprint for program redirection which impacts directly on the programming and budget process.

For FY 85, the Navy is requesting a total of $92.4 billion in total obligational authority. In terms of the four pillars, over half of this budget provides for readiness which directly affects our ability to support current operations with people, material and training. An additional quarter is slated to procure the ships and aircraft which will constitute future force levels. The remaining fourth is divided between modernization, with resources devoted to maintain our technological edge over the threat, and sustainability, with programs to hedge against the probability of a protracted global conflict. The growth trends in each of the major areas represent a relatively uniform extension of the FY 84 budget and reflect what is needed in each area to support the maritime strategy. The accounts have been structured to provide for a capable, ready naval force today, the 600 ship fleet of the near future, and capitalization for technological breakthroughs in the long term.

Be assured that we were all well aware of the projected budget deficits and the potential impact on the economy. Congressional concerns evidenced during previous budget review processes were fully considered as we built the FY 85 Navy budget. The result is a carefully constructed and efficiently balanced Navy budget at the minimum level necessary to meet the threat and defend national security interests. In the next four sections, I will describe the budget resources in terms of the four pillars and highlight what they provide in terms of the capabilities necessary to support the maritime strategy.

FY 85 Readiness

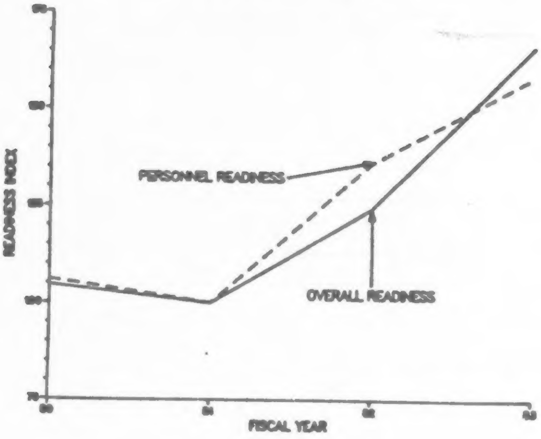
Readiness, a term used rather loosely in some public discussions, is not simply an umbrella for a large number of seemingly unrelated programs and funding streams. It defines and delimits a carefully structured subset of the Navy program whose progress is monitored by a corresponding set of well defined operational readiness indicators. We have invested considerable time and experience in the evolution of a uniform readiness reporting system for the entire fleet, designed for maximum objectivity, and sufficiently detailed to identify specific deficiencies for correction.

The Navy's readiness indicator system goes beyond designating units "ready" or "not ready." It focuses on each of the resource elements such as personnel, equipment, supply support, and training, as well as combinations of particular segments of those resource elements which provide the capability to perform each of the assigned unit missions. As a result, we can define specific mission readiness shortfalls and the corresponding resource deficiencies which need to be corrected.

As indicated in Figure 1, at the fleet aggregate level, overall ship readiness measured by the number of ships reporting in the C1 and C2 categories increased 58% from the low point in early 1981 to the end of 1983. This increase resulted from detailed documentation of readiness levels in each of the contributing components of ship readiness and the appropriate allocation of resources to those areas which demonstrated weaknesses. In 1981, manning deficiencies were identified

Figure 1

SHIP READINESS TRENDS



as major contributing factors to the general low state of Navy readiness. The readiness indicator system provided detailed documentation that the proper unit manning levels and, more importantly, required experience levels and skill balances were simply not there. We knew what we had to do! With the rennaissance of public support for national defense, we were able to allocate resources in an efficient manner to high pay-off personnel readiness improvement programs -- basic pay initiatives, recruiting for additional and higher quality manpower, and special pays such as the Selected Reelistment Bonus program to improve experience and skill balances. As a result, since 1981, personnel readiness has risen by 49 percent and has been a significant factor in improving overall readiness.

Personnel readiness not only affects overall readiness directly, but also indirectly through its relationship to material readiness. For example, in two particular classes of surface ships, our studies show that improved manning (from 80% to 100%) in shipboard ratings decreased the average number of mission degrading equipment casualties by 30%.

Thus, readiness indicators not only provide commanders in the field a tool to understand their day to day force capabilities and availabilities, but also provide headquarters personnel data with which to plan and budget for the proper resource distribution. We are able to discern one-of-a-kind problems as well as class trends, and make explicit resource allocation decisions to correct the most pressing readiness deficiencies. If the forces in being are to be effective, they must be properly manned, sufficiently supported with spare parts and ordnance, and trained to function in expected threat environments.

The FY 85 budget provides funding for continued improvement of readiness levels in support of the full range of national security requirements.

ANNUAL GROWTH

	74-80	81-85
Readiness Funding	1%	6%

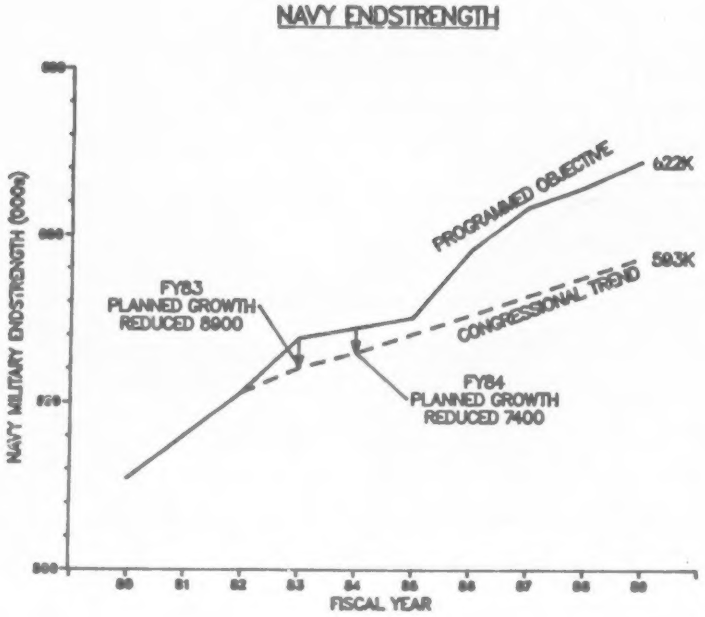
The peacetime presence and contingency operations during this past year have proven the wisdom of continuing to enhance readiness accounts in line with the trend that we began in 1981.

o Personnel

Personnel readiness is critical to fulfilling the maritime strategy. The 600 ship Navy is a soon to be realized objective of that strategy with ship and aircraft deliveries occurring at a modest but steady pace. The FY 85 personnel request supports this measured buildup by allowing us to man today's force and to build the skill and experience needed for the fleet of the near future. We need balanced increases in the total force, including an active forces increase of 10,500 for a total of 575,300. Reserve force structure improvements require increases for average strength personnel in a paid status of 8,700 to reach a total of 124,200, and civilian personnel spaces will total 317,727.

These marginal increases are key elements in supporting future force levels. The active enlisted increase of 2.9% over FY 84 is small in relative manpower terms, and small in dollar costs when compared to initial force level investment costs. Because of previous Congressionally imposed active strength constraints, the Navy will have difficulty in properly manning the shore activities that support the operating force. Reductions to the FY 85 personnel request will only aggravate this problem. If the trend established by Congressionally mandated strength constraints in FY 83 and FY 84, see Figure 2, is continued in FY 85 and beyond, the Navy will be 29,000 below the total programed objective in FY 89.

Figure 2.


NAVY ENDSTRENGTH
NAVY MILITARY ENDSTRENGTH (000s)
FISCAL YEAR
80
81
82
83
84
85
86
87
88
89
PROGRAMMED OBJECTIVE
622K
CONGRESSIONAL TREND
593K
FY83
PLANNED GROWTH
REDUCED 8900
FY84
PLANNED GROWTH
REDUCED 7400

The budget supports the previously planned and FY 84 Congressionally directed increases in Naval Selected Reserve personnel strength. These additions will match the Navy's aggressive reserve modernization program and expansion of reserve roles and missions. The Sea Air Mariner Program in the FY 85 budget has been structured and supported very carefully to meet increased non-rated personnel requirements. Our internal analysis indicates that achieving both the FY 84 and FY 85 manning goals is a very ambitious undertaking.

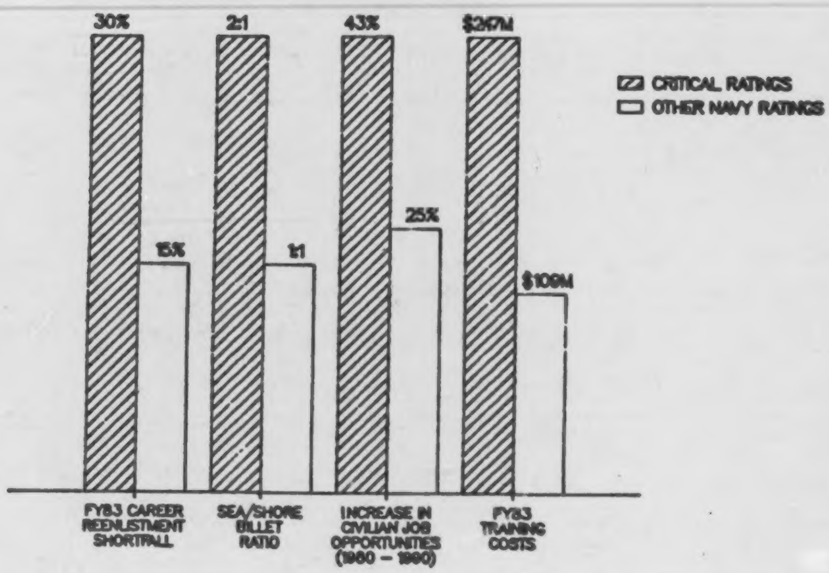
The nation's pool of military age manpower will continue to decline in the years immediately ahead. A number of studies confirm that the potentially adverse affects of a declining military age manpower base can be overcome -- providing we have full Congressional support for our recruiting, compensation, quality of life and retirement programs.

This year's recruiting and advertising budget is intended to allow us to keep pace with changing market conditions. I must alert you to the fact that the rationale of citing past recruiting success as justification for cutting future recruiting and advertising budgets is an extremely risky approach in an environment of increasing competition. We project precisely such a recruiting environment in FY 85. Providing the necessary quantity and quality of initial entry level personnel is a prerequisite for maintaining required strength levels and force structure.

While not wishing to single out any particular part of the FY 85 compensation package, I want to ensure that the contributions of Selective Reenlistment Bonus and other special pays in reducing the petty officer imbalance and meeting other career force requirements are fully appreciated. The total cost of these programs is insignificant in comparison to the payoff they provide in creating the proper climate for retention of petty officers with vital skills and experience. Figure 3 provides a particularly telling picture of the need to protect our mission critical ratings -- they are in short supply today; we are forced to keep them at sea longer; they are in high demand in the private sector; and they cost twice as much to train. Selective Reenlistment Bonus is an exceptionally effective management tool to correct shortages as they develop without waiting for the lengthy review process involved in approving new funding programs or management authority. The management flexibility, proven results in retention and enhanced material readiness, and the relatively small cost of Selective Reenlistment Bonus make it a very cost-effective program and worthy of Congressional support. In the same way, other special pays ensure that a balance of skills and experience are available to fill the proper jobs at the appropriate times.

Figure 3.

COMPARISON OF
RATINGS CRITICAL TO READINESS
AND OTHER NAVY RATINGS



Another important part of the personnel budget which has a major impact on personnel management is the Permanent Change of Station (PCS) account. Previous Congressional actions have created a backlog of deferred transfers resulting in unnecessary skill and grade imbalances throughout the Navy. PCS relates in some way to all naval personnel policies, and is part of a much larger total personnel management picture developed over years to ensure that we recruit, train, develop, and retain the best fighting force possible.

A critical issue in this PCS discussion is the rotation rate between sea and shore assignments and its relationship to retention. Sea duty is a unique characteristic of naval service, and experience has proven that personnel need periodic relief from sea duty. We must provide for alternating billets ashore and afloat for all personnel. Furthermore, the sea/shore rotation rate directly affects retention. As you can see in Figure 3, the FY 83 sea-to-shore billet ratio for critical Navy ratings was 6 to 3, or almost twice that of the remainder of Navy ratings. Sea pay has made a difference in retaining these mission critical personnel, but it would not be cost effective to raise sea pay sufficiently to eliminate all shortfalls. In addition to providing the appropriate compensation incentives, we must not allow the sea/shore rotation rate to increase further in these critical ratings. Only with a balanced approach to our critical retention problems -- including adequate PCS -- can we hope to eliminate all petty officer skill shortages.

The PCS program is not on a runaway track. The PCS program just completed in FY 83 showed only a one percent increase in operational and rotational moves above the 1977 level despite a 5.3% rise in end strength for the same period. Only limited opportunities exist to improve this performance further without upsetting current efforts to eliminate skill and grade imbalances and increase the career force. We need Congressional understanding and support for the Navy's FY 85 PCS funding program.

A separate but related issue is the funding of Permanent Change of Station entitlements such as temporary lodging expenses, and the increased Household Goods weight and monetary allowances in lieu of travel which were authorized in 1981 without funding. The effect is that Service members continue to pay moving expenses out-of-pocket, which increase as the penalties of home ownership are considered. This has a direct impact on how our personnel perceive their quality of life in the Navy.

Other programs which influence the quality of life of our service men and women and their families have already received your support. As a result we are able to place more emphasis on the family and the critical influence the family has on the attitudes and behavior of individual service members. Acting through the chain of command, I have attached high priority to quality of life programs such as Family Service Centers, Morale, Welfare and Recreation Programs, Housing, Substance Abuse, and Physical Fitness. We are grateful for your assistance with these programs which are helping to relieve some of the hardships of Naval Service, particularly for our junior personnel and their families.

Navy personnel leaving the Service continually cite the impending loss of GI Bill benefits as one of the prime reasons for their decision. Over 183,000 Navy members on active duty are eligible for GI Bill education benefits. There are 105,000 eligible members in the critical retention window of seven to fourteen years of service. We cannot predict with certainty how many will leave solely because of this issue, but we do know that in two years, the loss of GI bill benefits has jumped from the 10th to the 4th most important reason for leaving the Service. Thus, the fact that benefits are lost by remaining on active duty unduly penalizes individuals who do continue to serve their country and undermines the retention program. I strongly urge that the December 31, 1989 GI Bill termination date be extended to provide service members up to ten years, after discharge or release from active duty, to use the GI Bill benefits.

The computer models and surveys developed by our personnel R&D program are a relatively small budget item, but vital to understanding the factors that influence personnel recruiting and retention. Improvements in training likewise come from research and development in training methods and devices. Our ability to develop equipment that can be easily operated and maintained depends on application of human factors engineering. FY 84 Congressional actions reduced our programs in these high pay-off areas including the elimination of all research funding for improving recruiting and retention. I ask your support for this year's submissions.

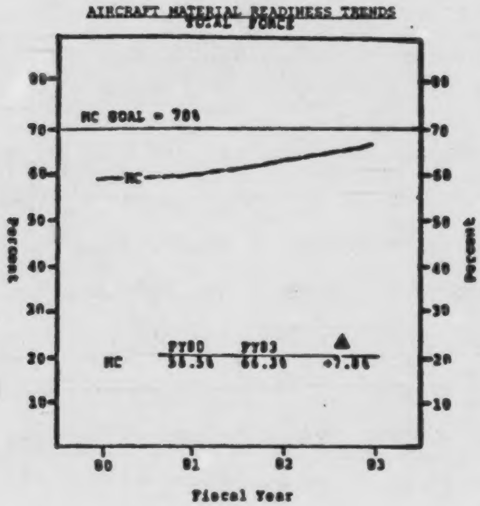
o Material

Material readiness complements personnel readiness. Without equipment which functions when needed, the spares for timely maintenance, the fuel to get underway, and the ordnance to pose a credible threat, the best trained personnel will not prevail. Maintenance requires much more than an adequate supply of spare parts. Ensuring the proper number of overhauls and maintenance availability periods as well as providing the resources to maintain shipyards and other repair facilities contributes to material readiness. In particular, reported indicators of unit readiness, such as the percentage of ships and aircraft fully combat ready or mission capable, depend on levels and distribution of funding in this area.

In the past several budgets, we have made a concerted effort to increase funding in each of these sub-areas of material readiness. We are succeeding! In addition to the dramatic increases in ship combat readiness ratings shown in Figure 1, aircraft mission capable rates, indicators which measure the level of personnel manning and training as well as funding for spare parts and equipment, continued to increase during the past year. We are closing in on an important milestone, noted in Figure 4 -- the achievement of the force wide goal of 70% mission capable aircraft, projected to occur in FY 85 with full budget implementation.

FY 85 budget preparation continued to emphasize improvement in all aspects of material readiness. Funding in the ship overhaul program has been increased to provide for the overhaul of 56 active and three reserve ships. The financial backlog will decrease from three in FY 84 to two in FY 85 and the operational backlog will be reduced from 9 in FY 84 to zero in FY 86. Improving management of the ship overhaul program has been one of my urgent priorities. Our initiatives have been fruitful, as we

Figure 4.


AIRCRAFT MATERIAL READINESS TRENDS
TOTAL FORCE
MC GOAL = 70%
MC
Percent
80
70
60
50
40
30
20
10
FY80
FY83
MC
58.5%
66.3%
+7.8%
80
81
82
83
Fiscal Year

increased FY 82 and FY 83 overhaul completions within budgeted time and cost, realized a corresponding increase in operational availability of ships to the fleet, and were better prepared to meet national tasking.

The FY 85 aircraft maintenance program includes several Navy initiatives that will result in significant cost avoidance. Aircraft Operating Service Periods are being adjusted when engineering analysis will allow, resulting in a large reduction in the requirement to rework aircraft. Additionally, through the Aircraft Service Period Adjustment program, we will inspect most aircraft at the end of their projected service period in order to determine if the requirement may be further delayed. Thus, we will have some assurance that only aircraft in clear need of maintenance will be inducted for rework. In spite of these efforts, the aircraft rework backlog remains at high levels.

Commencing in April 1985, the procurement and repair of aviation Depot Level Repairable (DLR) components will be financed in the Navy Stock Fund. Operating customers will buy aviation DLR's from the Navy Stock Fund with appropriated resources as those components are needed. The stock funding of aviation DLR's extends the Navy's surface ship DLR test which was approved by OSD and Congress and implemented in FY 1981. It will provide an improved level of aviation readiness, fully fund the procurement of aviation DLRs and eliminate the aviation depot component rework backlog. In addition, the "buyer-seller" relationship established between the stock fund and its customers will motivate more efficient material management practices which are expected to save $422.5 million between FY 1985 and 1989.

FY 85 Sustainability

A credible military deterrent rests on the ability to stay the course -- to go when called and remain at the point of contention as long as it takes to reach a successful conclusion. Sustainability, the staying power of a force, is at the core of our maritime strategy, and crucial to building and maintaining naval forces which can be effective across the full range of potential conflict scenarios.

The past lack of sufficient funding for national defense resulted in long standing deficiencies in sustainability. In FY 81, renewed understanding of the global nature of the threat and the commensurate need to prepare for large scale extended conflict as well as limited confrontations caused more resources to be devoted to sustainability. We continue to recognize the necessity of providing for improved sustainability of naval forces.

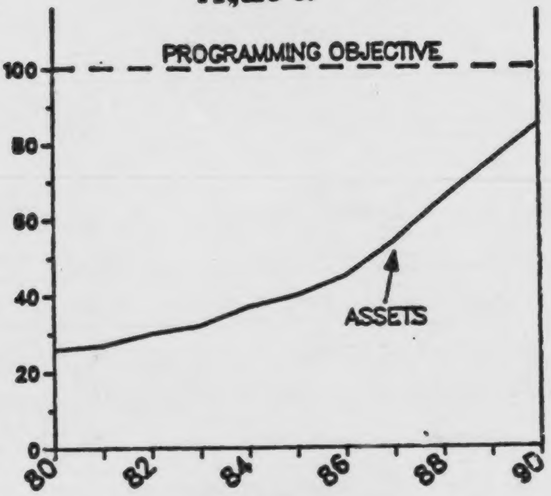
YEARLY GROWTH

	74-80	81-85
Sustainability Funding	2%	11%

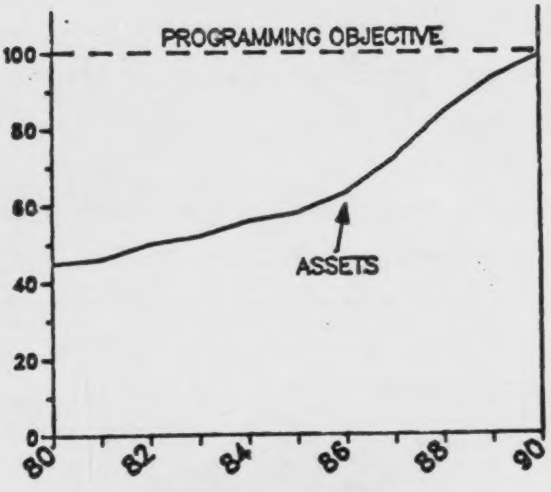
The budget is again structured to reduce previously documented shortfalls and imbalances in the vital area of non-nuclear ordnance reserves. As an example, you can see in Figure 5 that there are significant shortages in air-to-air missiles and lightweight torpedoes. To remedy these deficiencies, we are continuing to buy increasing numbers of SPARROW, SIDEWINDER, and PHOENIX missiles as well as the latest version of the MK 46 torpedo. Another important example of our progress is the acceleration of the High Speed Anti-Radiation Missile (HARM) and Expendable Countermeasures procurements to improve platform survivability in both land attack and war-at-sea scenarios. Recent armed conflicts and incidents around the world have proven the wisdom of this decision.

Unfortunately, cross-decking of some categories of weapons to complete loadouts for our deployed forces is still common in a number of important ordnance areas. Inventories are improving but are not yet at levels to prevent this action. Part of this problem is due to the approximately two-year delay between funding and delivery of completed weapons. Continued

Figure 5.



AIR TO AIR MISSILES
ASSETS VS OBJECTIVES



LIGHTWEIGHT TORPEDOES
ASSETS VS OBJECTIVES

NOTE: ASSETS ADJUSTED TO REFLECT LOWER Pk OF OLDER MODELS

Congressional support for adequate levels of ordnance will help to erase this long standing deficiency and allow achievement of prudent inventory levels.

With major worldwide security interests, separated by vast ocean expanses, the transport and support of U.S. military forces provide essential elements of deterrence. The major procurement expenses contained in our long range plan to improve sealift and strategic mobility have already been authorized in previous budget years. However, the FY 85 budget continues to emphasize support for these forces. After conversion, the SL-7 fleet of fast support ships will be placed under the operational control of the Military Sealift Command. There they will represent a significant addition to surge and general war mobilization capabilities. The Near Term Prepositioning Force now in being provides a credible deployment potential for Southwest Asia. Funding for the Maritime Prepositioning Ships continues with deliveries of ten expected in the coming fiscal year. Our overall ability to provide combat forces for the containment of crises worldwide will be improved as a result of these programs.

FY 85 Modernization

FY 85 modernization resources have been allocated in a balanced approach to provide the most effective and necessary capabilities to keep pace with the threat. In particular, the Navy has determined and articulated an investment and procurement strategy to assure that carrier battle groups can defeat the projected coordinated air threat through the 1990s and ensure connectivity with our allies. That strategy is based upon a comprehensive Outer Air Battle Study, drawing on a number of resources including the Center for Naval Analyses. This definitive study derives requirements and identifies technology alternatives and capability objectives. Using this guideline, we can define the best technical approach for developing the weapons and supporting sensor C^3 procurement necessary to continue to improve both offensive and defensive AAW capability for the fleet. The money requested for research and development as well as procurement in the modernization and force level accounts has been carefully programed to ensure consistency with this comprehensive plan.

Emphasis on the distribution of offensive firepower at sea continues with funding for the development and deployment of the TOMAHAWK missile. The additional range and targeting flexibility of this missile will provide a significantly increased strike and stand-off capability, and with it, expanded control of ocean and adjacent land spaces.

The Vertical Launching System (VLS) remains part of the initial procurement package of the current version of the CG-47 class cruisers, and continued funding for the inclusion of VLS in the DD-963, DDG-51, and SSN-688 class ships is also programed. The synergistic combination of the TOMAHAWK missile and Vertical Launching Systems will provide the firepower to increase dramatically overall fleet capability against heavily defended, long range sea and land targets.

Development funding to make the MK 48 Advanced Capabilities (ADCAP) torpedo operational in FY 86 is high on the priority list. The performance improvements incorporated in this version of the MK 48 are absolutely necessary to counter a rapidly improving threat. This program will be critical in executing the maritime strategy and must proceed on schedule. Other vital improvements funded in the ASW task area for FY 85 include the acquisition of SURTASS platforms and planned replacement of the SH-3H carrier based helo. Procurement of the P-3C UPDATE III aircraft will ensure that maritime patrol forces maintain an edge on the quieter threat. Soviet progress in submarine design and projected deliveries have caused us to place high priority in the near and mid-term on combat capability enhancement of the SSN 688 class, both in new construction and through backfit; and, in the longer term, on the development of a new generation SSN. These programs are designed to maintain an acoustic advantage over the threat and improve our ability to fight in an increasingly hostile environment. This phased modernization is essential to executing the maritime strategy.

New surface platform systems, such as the AN/SQS-53B surface sonar, the LAMPS MK III ASW helo, and the AN/SQR-19 tactical towed array have completed development and entered production. In addition, further improvements to the AN/SQS-53 series surface sonar continue with the full-scale engineering development effort of the AN/SQS-53C which includes improved active performance and increased reliability and maintainability. The increasing Soviet submarine torpedo threat has focused our attention on the need for improved torpedo defense of our battle groups and logistic and amphibious forces. The Navy has embarked on a Surface Ship Torpedo Defense program that will detect and counter that significant threat.

The TRIDENT II missile program will allow timely introduction of modern missiles into the operating forces as an integral part of the President's strategic modernization plan. Communications improvements programed for our strategic forces to ensure strategic connectivity for our sea-based deterrent force are high priority items. Extremely Low Frequency (ELF) transmitting sites in Wisconsin and Michigan are now under construction and an improved airborne communications capability

(ECX) is under development. These connectivity enhancements are crucial to the continued effectiveness of a key element in our overall strategic deterrent posture.

FY 85 funding supports the continued modernization of the amphibious forces through construction of two new LSD-41 class landing ships and continued procurement of air cushion landing craft. These landing craft are capable of transporting Marine Corps forces ashore at speeds up to 40 knots. The JVX, another important program in the Amphibious Force modernization plan continues in development. We need this program for timely replacement of the aging medium lift assault force, and for its potential application to other important warfare tasks.

Modernization of reserve forces will continue at a quickening pace with the introduction of FFG-7 ships into the surface force and the upgrading of the two reserve air wings to modern fleet capable aircraft such as the F/A-18 and A-7E. Modernization of the reserve maritime patrol aircraft force continues with completion of TACNAVMOD installations still scheduled for FY 86. The completion of 33 shipboard simulators and 35 Damage Control Trainers at reserve centers around the country this fiscal year will provide more realistic training. An additional two shipboard simulators and 12 Damage Control Trainers are planned for FY 85. In particular, remote reserve centers located away from access to active fleet training centers and operating ships will benefit greatly.

The FY 85 budget contains proposals for important C^3 and electronic warfare enhancements. Navy Battle Group Command and Control as well as Joint Service and international interoperability is being modernized to keep pace with the threat by the development of JTIDS. The force multiplication capability of electronic warfare was realized by the British during the Falkland crisis and by the Israelis during the Syrian encounters in the Bekaa Valley. The nature of the threat demands that we also improve our capability to target and engage the enemy at greater stand-off ranges. Enhanced electronic surveillance, warning, and targeting systems must be widely distrubted in our forces. Your assistance in preserving these initiatives is important.

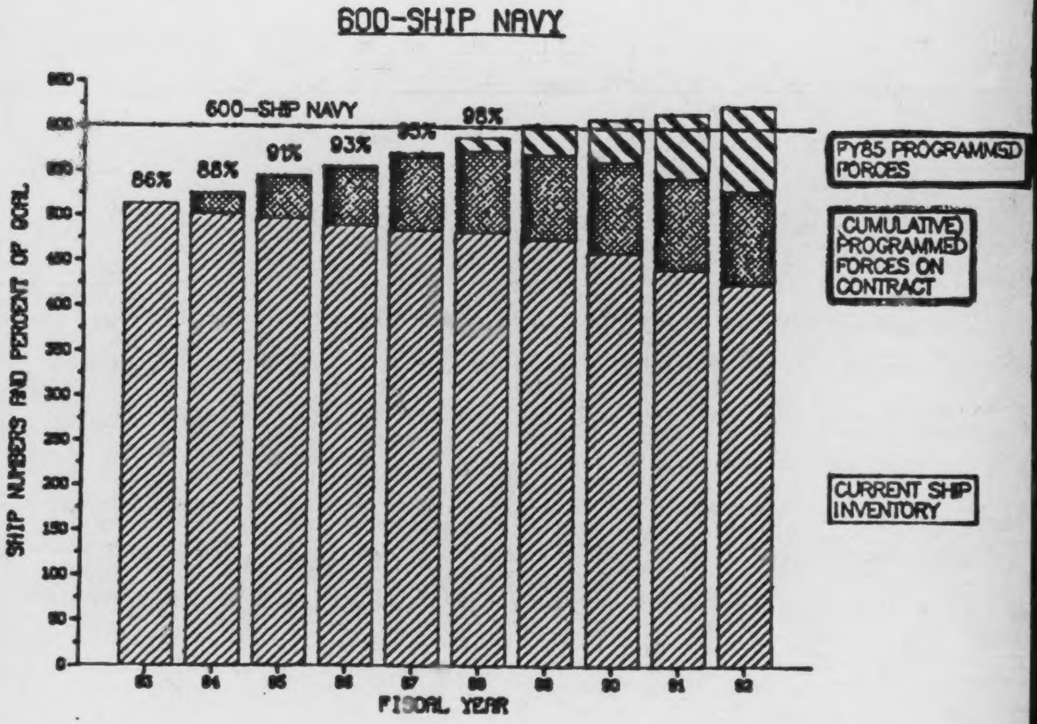
In a field of increasing interest today, computer technology, the Navy is moving forward smartly. The AN/UYK-44 microprocessors and microcomputers will enter service this year. Following extensive operational testing this year, the AN/UYK-43 computer will achieve an Initial Operational Capability next year. These two tactical computers will provide significant cost savings through standardization of computer hardware for use in multiple weapon systems. A Pre-Planned Product Improvement program has been established to adapt these computers to emerging technology. In addition, the Navy will begin a program in FY 85 to investigate and validate technology to determine the most beneficial and cost effective approach for development of advanced computers for the 1990's.

FY 85 Force Levels

From FY 74 to FY 80, force structure funding in the Navy budget remained essentially level but well below that needed to maintain even the degraded force structure of the 70's. With your support, the Navy has been able in previous budgets to program resources to achieve the modest expansion to 600 ships necessary to support our national strategy. As indicated in Figure 6, the proposed 85 Budget will maintain a procurement pace to support those objectives.

We are requesting funding this year for 23 new ships and six conversions and modernizations of existing ships. New construction includes: one TRIDENT submarine, four LOS ANGELES class attack submarines, three TICONDEROGA class cruisers, the lead ship of the ARLEIGH BURKE Class (DDG-51) destroyer, two LSD 41 class amphibious ships, four MCM mine warfare ships for the Naval Reserve, three modern oilers, three SURTASS platforms, and two ocean surveying ships (TAGS).

Figure 6.


600-SHIP NAVY
600-SHIP NAVY
86%
88%
91%
93%
95%
98%
650
600
550
500
450
400
350
300
250
200
150
100
50
0
SHIP NUMBERS AND PERCENT OF GOAL
83
84
85
86
87
88
89
90
91
92
FISCAL YEAR
FY85 PROGRAMMED FORCES
(CUMULATIVE) PROGRAMMED FORCES ON CONTRACT
CURRENT SHIP INVENTORY

The FY 85 proposal contains two very important modernizations: the SLEP for the carrier INDEPENDENCE, and reactivation of the third battleship MISSOURI. Each of these programs will cost a fraction of what would be necessary to procure new ships with the same capability.

The FY 85 budget includes funding for the lead ship of the ARLEIGH BURKE class destroyer program, designed both to replace existing guided missile destroyers which face obsolescence in the late 1980's, and to ensure a modern, balanced surface force capability well beyond the turn of the century. DDG-51 is a critical element in the Navy's plan to distribute offensive power at sea and execute the maritime strategy so central to our national security. A general purpose destroyer, the ARLEIGH BURKE class DDG has been carefully developed for planned employment with any kind of naval force. In the battle group role, she complements the AAW capability of CG-47 and the ASW capability of DD-963, while her cruise missile suite supplements the surface and land attack capability of CV strike aircraft.

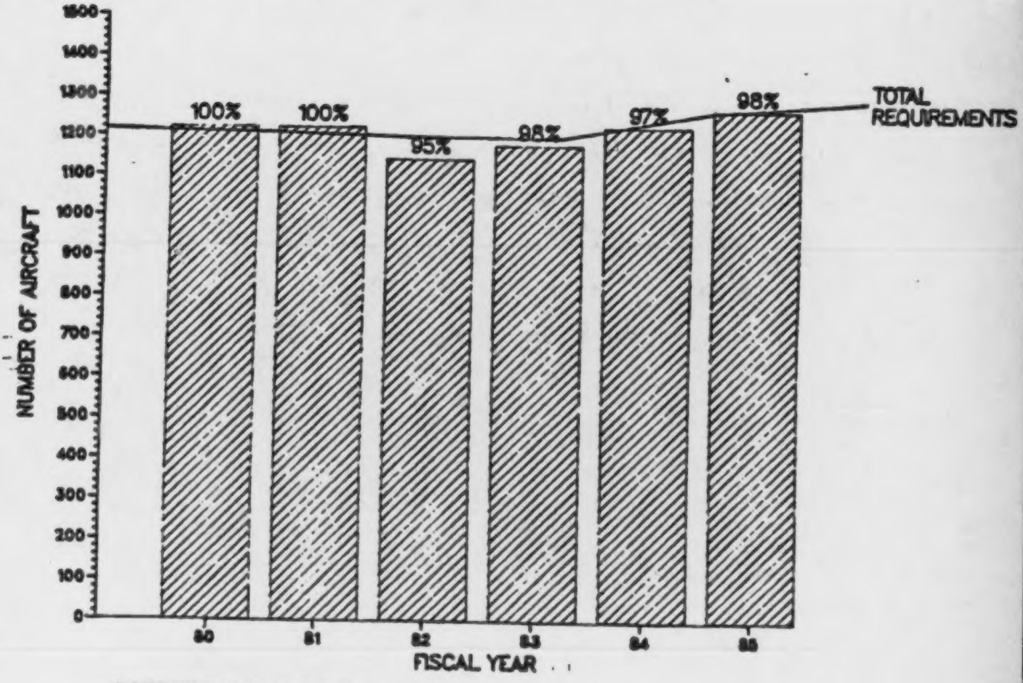
In harmony with the traditional and proven concept of destroyer operation, ARLEIGH BURKE will be a multi-purpose ship capable of projecting power simultaneously in the four dimensions of naval warfare including the destruction of enemy cruise missiles and aircraft, defeating enemy surface ships, prevailing over enemy submarines, and attacking land targets. Flexibility in operational scheduling and multimission capability of general purpose destroyers has been proven over the years both in conflict and in peace. That same flexibility is needed for the future. ARLEIGH BURKE Class ships are midway between modern frigates and cruisers in capability and also midway between these two ship types in follow-ship cost. They are affordable in the numbers required, and cost effective in terms of maintaining force levels and surface combatant modernization plans.

Aircraft procurement for FY 85 will maintain aircraft inventories appropriate to current and projected ship force levels. The total number of aircraft requested this year is 287. Procurement of the F/A-18, with its versatile air defense and attack roles constitutes a major portion of that program. Continuation of AV-8B funding is included to ensure timely modernization of Marine Corps light attack forces, as is funding for the highly capable F-14, A-6E, and EA-6B. Procurement of the SH-60B LAMPS MK III helicopter will allow us to realize full benefit from the integrated ASW suites installed on the DDG-963 and CG-47 ship classes.

The aircraft procurement program has been carefully balanced to support the increase to 15 carrier battle groups and 14 active deployable carrier air wings. Two upgraded Naval Reserve airwings will meet the mobilization requirements by filling the decks of the fifteenth carrier and that carrier which is undergoing SLEP. As Figure 7 indicates, our program will build appropriate tactical air forces for the total force. The number of aircraft requested is slightly below that required to provide adequate force levels without suffering any increase in overall force age. Congressional support of the entire aircraft procurement program is necessary if the Navy is to achieve force level objectives in an orderly and balanced manner. The striking power of the fleet and its ability to take the offensive can only be maintained with consistent aircraft procurement.

Figure 7.

USN TOTAL FORCE TACAIR INVENTORY*



* DOES NOT INCLUDE USMC

CONCLUSION

The Navy's rapid, effective response to numerous National Command Authority taskings during 1983 underscored the seriousness of American purpose where and when needed, and provided a clear and vivid demonstration of the Navy's value during peacetime. The mobility and flexibility of naval forces provide a unique national resource in dealing with crises and conflicts of widely varying duration and intensity. I have described a maritime strategy which supports the national military strategy and meets the objectives set forth in the Defense Guidance. It is also a dynamic concept of operations which we continually test and refine through wargaming, exercises and everyday operations in support of U.S. policy.

The FY 85 budget is one year of a carefully considered program to maximize the Navy's contribution to U.S. security objectives with available resources. The readiness funds requested in this budget will enable the Navy to continue its everyday role as a tool of national policy, demonstrating U.S. commitment and responding to urgent crises as they occur. The men and women we recruit, train and retain will man our ships today -- and provide the base for tomorrow's Navy. The resources you authorize for sustainability will guarantee us the stockpiles and reserve forces to realize our mobilization potential, and ensure that no nation can defeat the United States by simply outlasting us.

I have described in some detail the nature of the challenge faced by the United States and the U.S. Navy. The funds requested for force structure and modernization are essential if we are to compete over the long term. The size of threat continues to increase, and the modest force structure growth we have planned is only prudent. At the same time, the enemy's sophistication has increased dramatically and we must modernize the Navy if we are to continue to be able to prevail in increasingly complex wartime environments.

The budget you have before you is the culmination of a comprehensive, iterative strategy and program building process to ensure that the Navy can fulfill its role in support of national policy -- today, tomorrow and in the future. The continued support of Congress and the visible pride of the American people have been instrumental in providing Navy men and women with both material resources and moral strength, the sine qua non of effective military forces. With this strong support, the Navy has demonstrated that seapower can make the strategic difference.

The events of the past year provide eloquent testimony to support President Reagan's admonition in his State of the Union address: "We dare not shirk our responsibility to keep America free, secure, and at peace." Congressional support for the Navy's FY 85 budget will go a long way towards fulfilling this responsibility in a prudent and cost-efficient manner.

Summary of U.S. Naval Forces
(as of FEB 1, 1984)

Strategic Forces		
SSBN	34	
Support	6	
Subtotal	40	
Total Strategic Forces		40
Battle Forces		
Aircraft Carriers	9	
CVN	4	
Subtotal	13	
Surface Combatants		
BB	1	
CG	19	
CGN	9	
DD	31	
DDG	37	
FF	53	
FFG	39	
Subtotal	189	
Submarines		
SS	4	
SSN	93	
Subtotal	97	
Amphibious Warfare	61	
Mobile Logistic Ships	53	
Patrol Combatants	6	
Mine Warfare	3	
Subtotal	123	
Total Battle Forces		422
Support Forces		
Mobile Logistic	21	
Support Ships	22	
Subtotal	43	
Total Support Forces		43
Mobilization Forces (category A)		
Surface Combatants (DD/FF)	8	
Amphibious Warfare Ships	2	
Subtotal	10	
Total Mobilization Forces		10
Total U.S. Naval Forces		515

SUMMARY OF U.S. NAVAL AIRCRAFT
(as of 1 DEC 83)

Fighter/Attack	60
Fighter	702
Attack	1014
Anti-Submarine	169
Patrol	441
Warning	142
Transport	141
Trainers	1117
Special Mission	6
Observation	19
Utility	87
Helicopters	694
Drones	39
Total Aircraft	4,631

NAVY FIVE YEAR SHIP CONSTRUCTION/CONVERSION PLAN

I. NEW CONSTRUCTION	FY-85	FY-86	FY-87	FY-88	FY-89
TRIDENT	1	1	1	1	1
SSN-688	4	4	4	4	4
NEW DESIGN SSN					1
CG-47	3	3	3	2	2
DDG-51	1		3	5	5
LSD-41	2	2	2		
LHD-1		1		1	1
LPDX				2	2
MCM	4	4	1		
MSH		4	4	4	4
AE		1	1	1	1
AOE		1		1	1
AR					1
TAGOS	3	3			
TAGS	2				
TAO	3	3	3	3	2
LCAC	(9)	(12)	(12)	(12)	(12)
TOTAL	23	27	22	24	25
II. CONVERSION/MODERNIZATION					
CV SLEP	1		1		
BB REACTIVATION	1		1		
LPD-4 SLEP			1	3	3
AG		1			
AO (JUMBO)				1	2
TACS	2				
TAGM (CONV)			1		
TAK (FBM) (CONV)	1				
TAVB	1	1			
TOTAL	6	2	4	4	5

NAVY FIVE YEAR AIRCRAFT PROCUREMENT PLAN

TYPE	FY-85	FY-86	FY-87	FY-88	FY-89
A-6E	6				
EA-6B	6	6	6	6	6
AV-8B	32	46	47	48	60
F-14A/D	24	24	12	12	24
F/A-18	84	102	120	120	120
CH-53E	10	14	14	14	14
AH-1T	22	22			
SH-60B	18	18	18	18	18
P-3C	9	9	9	9	9
RP-3D				1	1
JVX					18
E-2C	6	6	6	6	6
SH-2F	6				
C-9	4				
UC-12B	12	24	12		
C-2	8	8	9		
T-34C		114			
T-44			15		
ADVERSARY	8	12			
T-45A				8	24
TH-57	36				
KC-130R					
E-6A		3	3	3	3
FEWSG					
Total	291	408	271	245	303

Chairman TOWER. Thank you, Admiral.
General Kelley?

STATEMENT OF GEN. P. X. KELLEY, COMMANDANT OF THE MARINE CORPS

General KELLEY. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, in my formal statement, which has been submited for the record, I have provided you with a comprehensive report on the current and the future posture of the Marine Corps.

I am pleased to say that the institution which I would be deeply honored to serve in any capacity has never looked better. If you will indulge me for a few brief opening remarks, I would like to mention the most important product that we have had in our 208 years—marines.

MANPOWER REQUIREMENTS

In the language of the Marine Corps we are manpower intensive and our grassroots philosophy continues to be equipping the man as opposed to manning the equipment.

This year, as in the past, our largest appropriation by far is for people. They are the strength of our Corps. To reinforce Secretary Lehman's comments, by every statistic that we know, the quality of the Marines in our Corps today is the finest in our entire history.

In our recruiting efforts we are surpassing all expectations. In fiscal year 1983, as an example, 92 percent of our recruits were high school graduates. The percentage is 95 thus far in fiscal year 1984.

We are down to a tolerable level of 6 percent in mental group IV's and our annual requirement for recruits is decreasing as we experience more 4- and 6-year enlistments.

In fiscal year 1983 we surpassed our goal for the commissioning of minority officers and had a record year in this important area.

Again in fiscal year 1983 we had our finest year for reenlistments. Fiscal year 1984 shows a continuation of this positive trend. The fact that trained, quality marines are remaining on the muster roll provides essential leadership, stability, experience, and readiness.

For fiscal year 1985 we are asking for a modest increase of some 2,900 marines to support the continuation of essential combat, combat support, and combat service support programs which you have supported in the past.

TRAINING

Of equal importance to the quality of our individual Marine is the quality of his or her training. Realistic, mission-oriented training remains our highest priority. This includes an aggressive, worldwide deployment and exercise program for both active and reserve Marines.

Our Conus exercise program for fiscal year 1983 included 52 exercises at the regimental to detachment level, five at the Marine Amphibious Unit (MAU) level, 14 at the Marine Amphibious Brigade (MAB) level, and five at the Marine Amphibious Force (MAF) level.

Our exercise program outside of Conus during the same year included 54 at the regimental and detachment level, 12 at the MAU level, 7 at the MAB level and, again, 5 at the MAF level. These were conducted in diverse environments—jungle, desert, mountain—and under a variety of extreme weather conditions.

STABILITY

The theme for the eighties for the Marine Corps, Mr. Chairman, is stability. Over the past several years we have fine tuned our force structure to the point where we now believe it is close to being optimized for successful accomplishment of our assigned missions.

Our fundamental strength remains in our unique ability to organize or tailor our forces to accomplish each task.

For the remainder of the decade we intend to stabilize this force structure so as to assure the availability of marines who have the proper ranks and MOS's in our organizations.

In closing, Mr. Chairman, let me say that our Corps today has an inner strength of unprecedented magnitude. Morale has never been higher, and I urge your support in keeping the momentum.

Thank you, sir.

[The prepared statement of General Kelley follows:]

STATEMENT OF
GENERAL P. X. KELLEY
COMMANDANT OF THE MARINE CORPS
BEFORE THE
SENATE ARMED SERVICES COMMITTEE
ON
MARINE CORPS POSTURE, PLANS, AND PROGRAMS
FOR FY 1985 THROUGH 1989

Mr. Chairman, distinguished members of the Committee:

It is my privilege to report to you today on the current and future posture of our United States Marine Corps.

As far as our current posture is concerned, I am pleased to report that it continues to be of the highest order. The Navy/Marine Corps Team remains our Nation's premier force-in-readiness. Marines and sailors of the Naval Service continue to contain and, wherever and whenever necessary, to confront the challenges to America's interests. Of particular importance, they continue to do so with the pride and the dedication which remain the very essence of their service.

That they are capable of performing so superbly is a tribute to their spirit and professionalism; however, I would like to invite your attention to the historical fact that their superb performance is equally dependent upon the steadfast support of the American people and the Congress of the United States. As has traditionally been true of your Marines, we recognize and honor the vital necessity of that mutual relationship and place the highest value on the continuation of that support. In short, your Marines continue to strive to be deserving of America's trust and confidence.

In this, my first annual report to the Congress, I wish to share with you my views relative to:

- The Nation's maritime strategy and the role of the Navy/Marine Corps Team in implementing that strategy.
- The state of your Corps--where we have been, where we are going, and how we intend to get there.

- Budgetary considerations.
- And, most importantly, Marines themselves--what it is today that sets them apart as a fighting force and as individuals.

As I view the unfolding of events in our dynamic and ever-changing world, I remain steadfast in my conviction that this Nation's economic prosperity and political vitality and, therefore, her national security, are inextricably linked to our ability to control the seas--both those which provide the barrier between America and the Eurasian continent and those which serve as oceanic lifelines between America and her allies and between America and the vital strategic resources her economy requires.

Recognizing the validity of this precept, the national leadership has adopted and is supporting a maritime strategy--a strategy designed to assure the United States, and her allies, a clear margin of maritime superiority at the points of decision.

Militarily, we must recognize that implementation of an effective maritime strategy requires balanced naval forces--forces capable of influencing events on the seas and of extending that influence ashore for both offensive and defensive purposes. A balanced maritime capability must provide, not only the formidable air, surface, and subsurface dimensions of naval warfare, but also the ground/air power projection dimension unique to amphibious forces.

Carrier battle groups, and their attendant surface and subsurface support ships, provide our major capability for sea control--a capability presently unmatched among the world's navies, although rapidly being challenged by Soviet naval expansion. Similarly, our surface action groups, built around the revitalized IOWA Class battleships, are designed to function across the entire spectrum of naval warfare--surface, subsurface, antiair--and in support of forcible entry and power projection through amphibious warfare. If these capabilities are to remain effective, they must be nurtured and expanded to provide a credible three-ocean capability to satisfy our global requirements.

There is one area of naval warfare in which this Nation possesses a decided advantage vis-a-vis the Soviet Union. It rests in the power projection capabilities inherent with amphibious forces supported by carrier battle and surface action groups. Indeed, recent Soviet efforts to expand and enhance their amphibious force projection capabilities indicate that they fully appreciate the economy, flexibility, and tactical utility attendant to such forces. Accepting these observations as valid, and recognizing the need for naval forces capable of containing Soviet expansion and deterring Soviet aggression, it is then incumbent upon the national leadership to continue to take the necessary steps to ensure that America possesses the requisite margin of maritime superiority--and significant steps are, indeed, being taken.

ENHANCEMENT PROGRAMS

Our ability to respond to crises--decisively and credibly--is a direct function of our ability to get to where we are needed and to get there on time. In that respect, the efforts of the Department of the Navy (DON) in support of the national goal of regaining clear maritime superiority--which include programs essential to amphibious warfare--are strongly supported. The

Navy's amphibious shipbuilding program promises revitalization of the amphibious lift capability needed to support and implement the maritime strategy.

Perhaps the most singularly important event in the field of amphibious matters was the completion of the DON Long Term Amphibious Lift Requirement and Optimum Ship Mix Study. The Navy/Marine Corps team came together for that study in response to concerns about the overall direction of the Navy's future amphibious shipbuilding programs and Marine Corps lift requirements. During the course of the study, the Marine Corps established a stabilized lift requirement statement that both defined and reduced the total lift for the assault echelons (AE) of a Marine Amphibious Force (MAF) and a Marine Amphibious Brigade (MAB). The point to be made here is that, although the assault echelon lift requirement was reduced in sheer bulk, the initial fighting punch of Marine assault forces has remained unchanged. One way to describe the real impact of this stabilized requirement might be to say that we are lean--but lethal.

The study has resulted in an equation which matches a fully combat-capable Marine Corps assault force with a least-cost mix of ships, landing craft, and helicopters, while providing the closest possible balance between amphibious lift requirements of the Marine Corps and the lift capability of the Navy.

The Marine Corps applauds the balanced, coordinated approach the Navy has taken in building amphibious ships. The gloomy predictions of years past, projecting massive block obsolescence of lift assets, have been replaced with not only solid programs but with hard steel on the building ways. The DON's mid-term objective is to provide sufficient ships to simultaneously lift the assault echelons of a MAF and a MAB. The current Navy shipbuilding plan fully meets these requirements. This plan maintains a steady building program to overcome the potential effect of amphibious ship block obsolescence in the out-years while, at the same time, increasing our overall lift capability.

USS WHIDBEY ISLAND, the lead ship of at least eight LSD-41 Class ships, has been launched and two more are on the building ways. The keel for a fourth ship is scheduled to be laid in November of this year. One more LSD-41 Class ship has been authorized, with plans for two more in this year's defense appropriations and an additional two ships in FY86. Tentative design for a follow-on class, based on the LSD-41 hull but modified for cargo lift, is being finalized. The first ship of the LHD-1 Class--designed to support current and evolving amphibious warfare concepts into the next century--is scheduled for initial fabrication in September. Additionally, although not a new construction effort, our present LPD-4 Class of 11 ships is programmed for a service life extension that will contribute 15 years of continued fleet usefulness.

Central to the Marine Corps' contribution to the maritime strategy is amphibious warfare. Within the limits imposed by available shipping, the Marine Corps, in concert with the Navy, is striving to improve its mobility. The combat power of an amphibious task force is transported by amphibious ships; but the force's logistical sustainability is carried by merchantmen.

Virtually 75 percent of the total landing force equipment and supplies will be loaded in merchant hulls. It is, therefore, vital that the required merchant and sealift ships be available for the support of amphibious operations.

The Merchant Marine is equally critical to sustaining maritime pre-positioning forces and extended land operations. Although the merchant fleet is modern and efficient, its inadequacy to support global commitments is cause for concern. In order to regenerate confidence in the merchant service, every effort must be made to guarantee its survival and growth. It would be desirable to see an expansion of the fleet, an expansion of the manpower pool, and an improvement in the procedures for the timely call-up of ships in an emergency. In the meantime, we continue to pursue innovative initiatives to ensure our global responsiveness.

One such initiative is the pre-positioning of selected equipment and supplies in Norway. By pre-positioning only what is absolutely mission essential, and only that which is suitable for long-term storage, we will be able to reduce our response time to the critical northern flank of NATO from weeks to days. This response includes a Marine Air Ground Task Force (MAGTF) tailored to the mission, the threat, and, in this case, the unique environment of Norway. A MAB comprised of over 13,000 Marines and sailors and over 150 aircraft will, in a matter of days, stand ready to fight on Norwegian soil and sustain itself for as long as 30 days. This permits us to provide a highly credible alternative in measured response and deterrence to an area vital to both America's and NATO's interests--and to do so without a single Marine being posted on Norwegian soil.

It is a pleasure to report that, with Congressional support, the Norway pre-positioning program is in full swing. Norway has invested tremendous political capital and national resources in support of the program. Her contribution in host nation support alone has permitted us to greatly reduce our requirements. The necessary procurements, which are fully programmed through 1989, are proceeding smoothly and we continue to deliver supplies and equipment for storage. But, we are doing more than warehousing and maintaining this equipment. Operational planning is well underway, and the first exercise of the concept will occur in March of this year.

Another crisis-response enhancement, the Maritime Pre-positioning Ships (MPS) concept, is rapidly becoming a reality. This concept provides a significant new dimension in mobility, sustainability, and global response. During a crisis, Marines would be airlifted to a contingency area to link up with pre-positioned supplies and equipment and, subsequently, organize for combat. MPS provides a credible force of combined arms with selected combat equipment and 30 days of supply, available on call. Additionally, the program will assist in revitalizing our shipbuilding industry and the Merchant Marine, and will enhance our sealift capability.

The first of three MPS brigades will achieve an initial operating capability (IOC) later this year. The headquarters for that brigade has already been activated at Camp Lejeune, North Carolina. We plan for the second and third MPS brigades to become operational during FY85 and FY86, respectively. The third MPS task group will replace the Marine Corps' current contingent in the Near Term Pre-positioning Force, thereby further improving our responsiveness. Construction has already begun on 10 of the 13 cargo ships to support the MPS program.

An important associated initiative is the Aviation Logistic Support Ship (TAVB) program. The TAVB augments MPS and amphibious operations in several ways:

- Provides vital support to aviation combat elements through sealift of a partial, consolidated intermediate maintenance activity to a theater of operations.
- Permits early introduction of Landing Force aviation.
- Allows early release of carrier battle groups to other sea control or force projection missions.

Two TAVBs have been programmed and are expected to be operational during FY85 and FY86. These ships will be made available through austere modification of two, government-owned commercial ships.

Turning from strategic to tactical considerations, I would share one observation with the Committee. Tactics, the equation by which we close with and destroy the enemy, is the function of three complementary factors: mobility, firepower, and command and control. Our programs are designed to refine those factors and to guarantee a favorable solution to the equation. (A synopsis of major programs is provided in Appendix I.)

Having discussed the strategic aspects of mobility, I will turn now to the tactical. During the initial phase of an amphibious assault it is essential to rapidly build up combat power ashore. The Landing Craft Air Cushioned (LCAC) is well suited to that task. From 25 nautical miles offshore, LCACs can land more troops, tanks, vehicles, and artillery pieces in a given period than an equal number of conventional craft with only a 5 nautical mile turnaround. And, if need be, LCAC can carry its load across the beach. The benefit is both the rapid buildup of combat power ashore and the protective cushion of stand-off distance for amphibious ships. The over-the-horizon launch provides maximum flexibility to the amphibious commander's range of tactical options.

The IOC for the first six LCACs is 1986, which roughly coincides with fleet delivery of the first LSD-41. Two LCAC support bases are programmed--one at Camp Pendleton, California, and a second at Virginia Beach, Virginia.

Assault amphibian vehicles (AAV) serve to further reduce our vulnerability during the critical ship-to-shore movement and to improve mobility on the battlefield. As a result of the Service Life Extension Program, the assault amphibian vehicle's service life will be extended into the 1990s. During 1984, the first AAV unit will be completely equipped with the new LVT7A1. To support MPS forces, delivery of 327 new LVT7A1s will commence this fiscal year. Delivery of new production vehicles will be completed in December 1985, and the delivery of SLEP vehicles will be completed in June 1986. The Landing Vehicle Tracked Experimental (LVT(X)) is under development as a follow-on for the LVT7A1. LVT(X) will enhance our amphibious assault capability with increased firepower, improved armor, and a lower silhouette. The LVT(X) will complement future over-the-horizon capabilities as well as sustained operations ashore.

The CH-53E Super Stallion heavy-lift helicopter continues to prove its worth daily, and adds significant depth to our tactical mobility. We are presently operating two 16-plane squadrons, one at MCAS(H) Tustin, California, and one at MCAS(H) New River, North Carolina. Both squadrons regularly support Marine ground units. Our third tactical squadron (HMH-466) will stand up early in FY85. The aircraft procured in FY84 and FY85, together with our current assets, will equip three Marine squadrons. We have a requirement for three additional squadrons to support amphibious operations. This additional capability is necessary to airlift the M198 Howitzer, its prime mover, the ground combat element's heavy equipment, the Field Logistics Support System (FLS), and other associated equipment.

Modernization efforts for our medium-lift assault transport are embodied in the JVX tilt rotor program. In addition to averting a critical shortfall in medium-lift transport, JVX promises an unprecedented advance for the projection of seapower and a quantum leap in both strategic mobility and tactical flexibility. Its global self-deployability provides the responsiveness required to rapidly marry-up airlifted Marines with pre-positioned equipment in Norway and MPS. To the tactical commander, the tilt rotor represents an advantage in battlefield mobility and flexibility previously unavailable. JVX meets the need for increased stand-off distances thereby further enhancing over-the-horizon assaults with its 250 knot speed, high transport productivity and its ability to execute a two wave assault at a 50-110 nautical mile radius without refueling. Capable of operating from remote friendly assembly areas as well as all present or planned amphibious ships, its versatility complements both the LCAC and CH-53E. The potential for rapid strategic response, tactical flexibility and surprise, as well as future civil applications, appear to be unlimited for this breakthrough in American technology being developed by the Naval Service for all Services.

The second factor in the tactical equation is firepower. Major restructuring of our ground units has resulted in MAGTFs that will possess a great deal more "punch per pound." As our smaller, firepower-intensive infantry battalions close with the enemy by LCAC, AAV, helicopter, and JVX, they will generate far greater shock action as a result of the introduction of new weapons systems. Each newly reorganized infantry battalion will be equipped with new personal defense weapons, improved M16A2 rifles, a new squad automatic weapon, a shoulder-launched multipurpose assault weapon, the MK-19 40mm heavy machine gun, a new lightweight company mortar, and the improved M60 machine gun.

The light armored vehicle (LAV) will add depth and versatility on the battlefield as well as firepower. LAV battalions, soon to be organic to each Marine division, will provide a mobile, hard-hitting, maneuver element to the MAGTF commander's arsenal of capabilities. LAV battalions will be capable of being transported to an objective area strategically, by sea and air, and tactically, by helicopter. The first light armored vehicle company was activated in July 1983. A battalion of 55 LAV-25s will be activated in FY84 at Camp Lejeune, North Carolina.

Currently, we plan that each light armored vehicle battalion will have 145 vehicles as other mission role vehicles are introduced.

Battlefields of the future will be dense with both tanks and armored fighting vehicles. Recognizing this, we are deeply involved in programs to further increase our anti-armor capabilities. Our heavy anti-armor capability, TOW, will double in number and each weapon will have a night sight. Additionally, TOW has been improved with a 5" warhead and its range extended to 3750 meters. A second-phase improvement of TOW, with a 6" warhead capable of defeating any known enemy tank, will offer increased range and will provide electrical optical countermeasures (EOCM).

DRAGON, a medium anti-armor weapon organic to infantry battalions, has been increased in number from 24 to 32 weapons per battalion. One-half of these weapons are soon to have night sights. Also adding firepower to the infantry battalion will be the vehicle or ground-mounted MK-19, 40mm heavy machine gun, capable of defeating armored fighting vehicles at 2200 meters.

Perhaps the most effective anti-armor weapon is the tank. The Marine Corps' current main battle tank, the M60A1, will reach the end of its service life in the mid 1990s. In order to have a tank that can survive against and defeat the present and projected threat, the Marine Corps will program for the M1E1, following satisfactory completion of operational testing in the amphibious environment.

In view of the magnitude of the Soviet armor threat, Marine Aviation has devoted a great deal of attention to precision guided munitions (PGMs) which can successfully engage enemy armor at stand-off distances. Hellfire and Laser Maverick, our close air support PGMs, are two such weapons systems that can meet the threat head-on and defeat it without unacceptable aircraft attrition.

Additional developments in aviation ordnance include the 25mm gun pod, designed for both anti-air and anti-armor missions; the Imaging Infared Maverick missile for interdiction missions; and GATOR, an air-deliverable, scatterable mine which will deny, canalize, and destroy armor.

One of our most versatile ordnance delivery platforms is the AH-1T Sea Cobra. A multi-mission aircraft, the Sea Cobra provides armed escort for our troop assault aircraft, anti-armor capability with both TOW and Hellfire, and close-in fire support for ground troops with its 20mm gun and forward firing rockets. Modifications to the basic AH-1T in order to develop these varied capabilities resulted in a 1000 pound weight growth, which left the aircraft markedly underpowered. Congressional action in FY84 has permitted timely development of the GE T-700 engine, presently undergoing test and evaluation, which could provide a quantum increase in both operational capability and safety in our FY85/FY86 production Cobras. As a result of its versatility, the Cobra remains our most heavily committed aviation asset, and FY85/FY86 procurement is vital to alleviate critical inventory shortfalls.

As the battle moves inland, additional fire support will be brought ashore. Procurement of the M198, 155mm towed howitzer has significantly increased the range and lethality of Marine artillery. Additional 155mm self-propelled weapons will be added to the force which will not only add to the numbers of artillery pieces available, but will also provide mobility to support the fast moving aspects of tomorrow's battlefield.

To provide responsive artillery support and to increase our counter-fire capability a Target Acquisition Battery (TAB) will be added to each artillery regiment beginning in FY85. The AN/TPQ-36 countermortar radar is part of the new equipment organic to the TAB. A remotely piloted vehicle will also be added in the future to extend the depth and degree of target coverage. Introduction of the Modular Universal Laser Equipment (MULE) will further improve target-acquisition capabilities and will provide a means for precise designation of targets for air and cannon-launched laser guided weapons by 1986.

The accuracy of artillery fires will be greatly improved by the introduction of an artillery computer system, the Position and Azimuth Determining System, and the Meteorological Data System. Each of these systems is to be introduced between 1984 and 1988 and will provide for more rapid and effective fire support.

We continue procurement of our major anti-air weapons, the Improved Hawk and Stinger missiles. Our funding profiles continue to move us toward a 45-day stock level for both systems. In the case of Hawk, current funding also procures equipment for a fourth battery in one Hawk battalion. The remaining two battalions will be rounded out with a fourth battery in FY85 and FY86.

The Corps' most potent anti-air weapon is the F/A-18. With three squadrons now operating at MCAS El Toro, Santa Ana, California, we can report with confidence that we have a superb fighting machine. This aircraft can gain and maintain air superiority within the amphibious objective area or over any modern battlefield. At the same time its ability to navigate, to locate targets, and to accurately deliver ordnance, provides a tremendous force-multiplier and, as such, enhanced support for the ground commander. Our fighter/attack modernization will culminate with 12 F/A-18 squadrons having replaced the F-4 Phantom II.

The AV-8B Harrier program continues to be the key element in the modernization of our light-attack force. Introduction of the AV-8B will result in more effective and responsive close-air support for Marines on the ground. Harrier's ability to operate from grass fields, roads, ships or prepared airstrips permits the MAGTF commander to position this critical fire support element close to the front lines. This same flexibility may well result in the AV-8B being the only fixed-wing support available ashore during or immediately following the assault. Modernization efforts will result in an eight-squadron, all V/STOL, light-attack force by the early 1990s.

While evolving concepts for the amphibious assault include the insertion of forces in unopposed areas from over-the-horizon, contingencies may still require assaults against defended beaches and landing zones. Moreover, projected threat tactics, utilizing highly mobile and mechanized forces, include prompt, violent counterattacks against landing forces. To defeat such counter-attacks, and to support helicopterborne assaults 15-25 km inland, the range required of naval gunfire systems may reach 50 km or more, depending upon ship stand-off distances. Critically important during the initial phases of the operation and until artillery is established ashore is the rapid response, close, continuous and all-weather fire support associated with naval guns. In meeting these requirements, the current inventory of naval gunfire support platforms is deficient both in range and lethality due to heavy dependence on 5-inch guns.

The Marine Corps is proposing several improvements which are directed at enhancing naval surface fire support.

Near-term programs which will satisfy our lethality and accuracy requirements are available. As the Committee well knows, the Marine Corps fully supports the reactivation of all four IOWA Class battleships. Events of the last year have shown the value of a battleship in a crisis. To make the battleship an even greater asset, we are proposing improvements to the 16-inch ammunition. Specifically, we are looking at development of an improved conventional projectile which deploys armor defeating submunitions. Another program, the guided projectile, is aimed at improving the accuracy of 5-inch ammunition. We strongly support continuation of the semi-active, laser guided projectile (SAL-GP) program through full production.

While firepower provides the muscle for any fighting force, our third factor, command and control systems, provides the nerve center and brains. Through command and control, the commander is afforded the ability to wield his force as a single, cohesive weapon. Many command and control systems are currently in production or are in the final stages of development.

Tactical Air Operations Center (TAOC)-85 will provide semi-automatic control of anti-air weapons including interceptor aircraft and surface-to-air missiles. Slated to undergo operational testing in FY85, this new TAOC will significantly enhance Marine aviation's command and control capability. The U. S. Air Force has recently initiated action to procure this modern technology system as well.

The Position Location Reporting System (PLRS) is an automated tactical command and control system which provides commanders with their own location and the position and identification of all PLRS equipped units. It is also a navigational tool.

MIFASS, the Marine Integrated Fire and Air Support System, is a tactical command and control system which serves to coordinate the employment of all supporting arms. MIFASS offers the commander a means to more efficiently assign available fire support resources and provide more responsive and effective supporting fires.

Two new pieces of communications equipment are scheduled for this fiscal year. The first is the Tactical Facsimile which provides a method to exchange graphic and overlay traffic, and the AN/UGC-74 Tactical Teletype, which provides a printed traffic capability.

The following year will bring the introduction of the AN/TCS-95 Communication System. This system is being built from the ground up with Navy equipment in order to provide a landing force terminus for the Fleet Marine Force (FMF) mobile command circuit.

Automated data processing for deployed Marine Corps units will be greatly enhanced by the introduction of the Deployable Force Automated Services Center. Initial operational testing will commence during the current fiscal year.

Relative to intelligence systems, recent events in the Middle East and in Grenada have validated and reinforced our commitment to improving the ability of tactical commanders to exploit national intelligence collection capabilities--the TENCAP program. The Marine Corps' focus will continue to be directed toward improving our ability to directly access those national systems which complement, not replace, those reconnaissance and surveillance assets organic to MAGTFs operating around the world. Congressional support and direction have played a significant role in the progress we are currently making.

Our ability to produce and disseminate all source intelligence to tactical commanders--and this is the cornerstone of our intelligence effort--will be substantially improved when the Intelligence Analysis Center of the Marine Air Ground Intelligence System becomes operational next year. Other state-of-the-art initiatives, which will ensure the availability of timely and meaningful intelligence support to our fighting forces, include the All Source Imagery Processor and the Integrated Signals Intelligence System.

Perhaps the most unique aspect of "soldiering from the sea" are the tasks associated with logistically supporting and sustaining the landing force. To accomplish these myriad and difficult tasks we rely on our Combat Service Support (CSS) units. The momentum of the Marine Corps' CSS enhancement program--initiated during September 1981 through modernization programs, acquisition of new equipment, and manpower and management initiatives--continues on a steady course. Fleet Marine Force Commanders activated ten cadred units in FY82 and five more in FY83 to restore almost the full spectrum of functional capabilities we require.

Our program to man this restored CSS structure at 89 percent wartime strength by 1987 continues. This will permit units to support the evolving structure resulting from the introduction of new equipment and weapons. Although this requires significant commitment of resources, the momentum must be maintained to ensure the required depth within all critical functional areas.

Modernization of our motor transport fleet continues to be a top priority for sustainability and survivability on today's battlefield. We have begun implementation of the Field Logistics System (FLS) to replace obsolete equipment while simultaneously improving combat service support. The system does so by improving strategic mobility and sustainability. By concentrating on the development of needed materiel in configurations that are compatible with the requirements of container ships, the Marine Corps will not only be assured that available merchant shipping can be used effectively, but a greater flow of materiel across an unimproved beach can be achieved. FLS, in combination with the Navy's Amphibious Logistics Support Ashore (ALSA) program, will result in equipment savings as a result of commonality of equipment and repair parts support, increased use of commercial items, decreased training requirements, and improved effectiveness. FLS is designed around international standards as they relate to inter-modal containers in order to take advantage of all modes of transportation, especially those that are container-capable. The system includes motor transport, containers, tactical shelters, material handling and service support equipment designed for transportability, interoperability, and maximum use of "off-the-shelf" items.

To assist in the off-load of the merchant fleet we are in the process of procuring the Lightweight Amphibious Container Handler (LACH). LACH is a towed straddle-lift crane designed to remove containers and tactical shelters from beached landing craft and place them on trucks for further transport inland.

Amphibious operations in a high intensity combat environment will involve casualties requiring immediate treatment and surgery. In most engagements, the medical facilities of the amphibious task force would reach their maximum capacity early in the engagement or they would be required to leave the amphibious objective area as medical units are being established ashore. To correct this deficiency, the Navy has embarked on a program to provide dedicated, afloat medical support for our forces through the Hospital Ship Program.

The global mission of the Corps requires a degree of flexibility in medical support that can be met only by hospital ships having the capability of going where the Corps goes and of being ready when the first casualty occurs. Contracts have been let that will provide 1000 beds and 12 operating rooms for each of two hospital ships. We anticipate delivery of the first ship in late 1986, the second in mid-1987.

The Rapidly Deployable Medical Facility (RDMF), currently afloat in the Indian Ocean, is dedicated to treating, holding, and returning patients to duty within the theater. The RDMF and the 11,250-bed Fleet Hospital Program provide the bedspace and treatment capacity sufficient to reduce the number of replacements and, consequently, reduce the requirement for medical evacuation out-of-theater.

The Marine Corps applauds and supports the efforts of the Navy's health planners and solicits your support in assuring that the Navy achieves its goals.

MANPOWER

At this time, I wish to turn from hardware related programs to our most important program--Marines and their families.

Praiseworthy performance by Marines committed to important and difficult missions is possible primarily because those Marines are exceptional young Americans. Our first priority, therefore, continues to be the accession and retention of this Nation's finest young men and women.

FY83 was a banner year for recruiting. We surpassed all numerical goals and the quality of our new Marines has never been higher. Ninety-two percent were high school graduates, 63 percent of whom were in the upper half of the nationally normed range of test scores. Continuing at this pace, we will achieve one of our major objectives: to have sufficient high school graduates in the upper AFQT ranges to meet our needs not only for operators of high technology systems, but for intelligent individuals qualified to become noncommissioned officers in other fields, as well.

Success in recruiting quality Marines has been achieved, in part, by continuing to assign our very best Marines to recruiting duty. Quality Marine recruiters attract quality young people who, in turn, represent our future. We are equally selective in the assignment of instructors to the recruit depots and other training establishments.

As is the case with enlistments, officer accessions are also surpassing expectations. Young, well-educated, patriotic Americans are accepting the challenge to be leaders of Marines. They are enthusiastic and display a keen interest in taking on responsibility; they exhibit the capacity for hard work and devotion to duty; and they possess the strength of character that marks them as leaders.

Among the challenges facing all Services is retention; therefore, reenlistment of proven, quality Marines is another key part of our manpower program. During FY83, 14,075 Marines reenlisted--another excellent reenlistment year. A continuing concern, however, is our ability to retain Marines with the skills and experience needed to overcome critical shortages. The Selective Reenlistment Bonus program is an essential tool for filling these shortages. Bonuses are targeted to specific year of service zones in short military occupational specialties. The program is working and it is cost-effective.

For FY85 we are requesting a military end-strength of 199,500 --an increase of 2,900 over the FY84 level. With the positive trends in accessions and retention, we are entirely optimistic about our ability to achieve it. Requirements for additional Marines are primarily tied to modernization programs. We have considered each increase carefully and have programmed them fully in the active force because they are necessary to support our global commitments.

I wish to emphasize a particular manpower issue which we are asking your help to correct--the shortage of field grade officers. The overriding difficulty is that the allowance for field grade officers authorized by the Defense Officer Personnel Management Act (DOPMA) grade tables is insufficient. Under current ceilings we are beginning to exceed the maximum promotion point for the grade of major as envisioned by the Congress, even though we are at the minimum DOPMA selection opportunity for this grade. Consequently, we have requested, through DOD, a modification to the grade table which will permit more majors to serve on active duty without increasing total active duty officer strength. Your support for this modification, which should reach you later this year as part of a bill entitled the "Omnibus Officer Personnel Amendments Act of 1984," is earnestly requested.

Marines have always served with unselfish devotion. Supporting these Marines, often with little or no recognition, are their families who rely on the Marine institution for personal support. Marines are accustomed to, and accept, sacrifice. Similarly, a Marine's family learns to accept sacrifice. While these sacrifices cannot be quantified, one need only stand on a parade deck and watch Marines board buses taking them to a ship or plane bound for yet another deployment to appreciate the sacrifices required of a Marine and his family. Our institutional support--a fair, reliable compensation system, medical care, commissaries and exchanges--is vital to enabling them to bear these hardships.

The trend of compensation over the last two years deserves two observations. First, pay and compensation for Marines and their families has not kept abreast of the cost of living. Second, and perhaps more important, Marines may view this difference as a reversal of the commitment made in FY80 and FY81 to reestablish a fair and comparable compensation system. Comparability with the private sector must be achieved and maintained if we are to resolve once and for all the issue of military pay adequacy. To accomplish this, linkage is required, such as the Employment Cost Index (ECI). By using the military pay adjustment linking mechanism, the ECI will provide a stable, predictable, and understandable device that will keep military pay comparable with the private sector.

Considerable publicity has been focused on the military retirement system. Much has been said and many points of view have been expressed. I would urge the Congress to consider the issue in its totality and not just as an area in which deficit reductions may be possible. Our retirement system, with applications to both active and reserve programs, is, first and foremost, a force management tool. Any changes to it should be undertaken with a full understanding of their impact on our ability to retain good Marines for a full career.

Equally as important as compensation are quality-of-life initiatives which directly affect retention. Our initiatives embrace a wide variety of programs reflecting the Marine Corps' commitment to improving the human dimensions of military service --specifically, the working environment for the Marine and living and recreational facilities for the Marine and his family.

In the area of dependent medical benefits, DOD's efforts during the previous fiscal year have shown that the major cost of CHAMPUS can be contained without sacrificing major medical benefits. We must remain committed to sustaining and, ultimately, improving the current level and quality of health benefits afforded military families.

Frequent family separations required of Marines in order to maintain a forward deployment posture in the Western Pacific, is a matter of personal concern. While our presence in Japan is necessary, I am convinced that it can be maintained without adding to the sacrifices we already ask of our Marines. The Unit Deployment Program has returned to the States over 8,000 infantry battalion and aviation squadron, dependent-restricted billets and replaced them with integral units which deploy for six months and then return to their home bases on a rotating basis. In addition, we seek to increase the number of accompanied tours for career Marines on Okinawa and at Iwakuni, Japan. The increase in the number of accompanied Marines depends, of course, on facilities availability. In that regard, we are working closely with the other Services and the Japanese government and our initiatives are on track. We are optimistic that these programs will result in a more ready, forward-deployed Marine force in the Western Pacific.

The Marine Corps' request for 21,500 civilians in FY85 satisfies only minimum requirements. Our policy is that civilian personnel will be used to meet the requirements of supporting activities to the maximum extent practicable and consistent with legal, training, rotation, and readiness considerations. In order to provide maximum efficiency and avoid costly duplication of effort, military and civilian manpower resources are fully integrated. Reducing civilian strength, without concomitantly reducing workload, requires an offsetting increase in military manpower.

The Marine Corps remains committed to the belief that all Marines are entitled to a drug-free environment, with professional assistance available for drug and alcohol abusers who sincerely desire to adopt a more productive professional and personal lifestyle. As a direct result of this strong commitment, and with sound leadership, we have drastically diminished substance abuse among Marines. During the past year, our documented detection rate of drug users was 400 percent lower than the previous year. On the other hand, success in controlling alcohol abuse is more difficult to achieve and measure. During this fiscal year, approximately 1,300 Marines received formal rehabilitation at Navy Alcohol Rehabilitation Centers and an additional 12,600 Marines received alcohol control assistance at the command level --an increase from last year. We accept this issue as a challenge and, similar to drug abuse, we believe we will be successful in our control effort.

An area of particular interest is leadership--since it represents the very foundation on which the Corps stands. Your Marines are unique people who deserve the best leadership available and we remain dedicated to providing that leadership at all levels.

Through small-unit leadership training, we emphasize teamwork and unit esprit in order to achieve high morale and superior readiness. Our emphasis on quality Marines and competent, professional leadership will continue to provide the Nation with a talented, efficient force that can carry out its mission.

Quality youths are entering the Marine Corps and quality Marines are staying on active duty to lead them. Your "force-in-readiness" continues to be, as always, truly ready.

MARINE CORPS RESERVE

As the Nation's "force-in-readiness," with foundations both in law and in mission, the Marine Corps' Total Force is a vital, established reality. The Corps relies heavily on a fully-trained and capable reserve component to complement its active force.

Marine policy directives of 1977 and 1981, and the current Marine Corps Capabilities Plan, stipulate a unique, straightforward Total Force policy. In part, that policy embraces an active component of three combined ground/air combat forces, which have their origin in Title 10 of the U.S. Code. This active force, as presently structured, programmed, and committed around the world, is the minimum capability acceptable short of mobilization. In complementary fashion, the reserve component is established and maintained to provide trained units and qualified individuals to rapidly expand this minimum capability and provide special skills when mobilization is ordered.

Marine Corps' Total Force planning is continuous and dynamic. The process of annual planning, meeting Defense Guidance objectives and interacting with the fiscal reality of the budgeting system, identifies both the requirement and a course of action. It is a deliberate decision-making "discipline," which has resulted in not only the equipment and active/reserve "force mix" existing today but, also, Marine Corps plans for the future.

The term "reservist" is most commonly associated with the drilling Marine of the Selected Marine Corps Reserve (SMCR). Organized collectively into a Division/Wing Team, these Marines represent a balanced force of combat, combat support, and combat service support units. They "mirror image" active counterparts, thereby facilitating rapid assimilation into the total wartime capability and lending credence and continuity to programming.

Additionally, drilling reservists also serve as Individual Mobilization Augmentees. These reserve Marines train alongside their active counter-parts in preassigned mobilization billets within the supporting establishment. Their designated positions require training and immediate responsiveness and are crucial to a successful mobilization effort.

The heart of the Marine Corps Reserve is its manpower. Today's "Citizen Marines" are professionally trained, highly skilled, well-educated, and extremely motivated to accomplish their mission. Programs initiated in the early years of this decade facilitated an SMCR growth in FY83 of over 2200 individuals to a level of 42,690 reserve Marines. Continuation of these efforts will provide an end-strength of 46,447 in FY85, toward a goal of 100 percent manning of authorized reserve structure the following year. Amid this growth, quality recruits remain an objective that is being successfully achieved. This is evident in the numbers of high school graduates who comprised 94 percent of FY83 non-prior service enlistments as compared with 76 percent in 1980.

In a "quality training" effort, Reserve programs are increasingly characterized by reserve participation in active exercises. In FY83 approximately 17,000 reservists participated in 14 major exercises here and abroad. SMCR unit training is complemented by increased emphasis on individual professional development and enhanced opportunities for members of the inactive Individual Ready Reserve (IRR) to refresh their MOS skills by training with active units.

Marine Corps "Total Force" goals mandate structuring, equipping, and modernizing the reserve in such a fashion that it remains a viable fighting force. Through past efforts, 94 percent of the training equipment required is now on hand thereby allowing units to conduct effective training and maintain proficiency. With the continued support of Congress, the Corps will proceed toward its objective of full wartime equipment and sustainability for the Reserve by FY88.

Continuous review of requirements within the Total Force has produced planning for increasing reserve structure in certain areas. In that regard, 1985 is a pivotal year which will see, in addition to other improvements, the reorganization of the infantry battalion in order to mirror its active counterpart. Additionally, planned increases include: two Civil Affairs Groups, two Salvage Platoons, a Bridge Platoon, and an Air/Naval Gunfire Liaison Company by the end of 1985. Still further improvements to reserve artillery and anti-tank capabilities are planned for the program years.

As the beneficiary of Congressional foresight in FY82, the 4th Marine Aircraft Wing recently took delivery of four new KC-130T aircraft. These represent the first new aircraft ever delivered to a Marine reserve squadron. Continued efforts toward modernization of reserve aviation continues to be of the utmost importance. The Reserve Wing operates with an aging aircraft fleet, and shortages still exist in KC-130 refuelers and AH-1 helicopters. The Marine Corps has developed a long-range plan to upgrade capabilities, and its importance is underscored by the fact that reserve squadrons are now assigned specific contingency missions. Successful execution of this modernization plan depends upon the continued availability of funding for active as well as reserve programs.

Reserves continue to demonstrate that they are ready. In FY83, 90 percent of the units tested in accordance with our demanding Marine Corps Combat Readiness Evaluation System were classified as combat ready. In unannounced mobilization drills, units were found to be extremely well prepared. Their readiness is a tribute to their dedication and resourcefulness.

Today's reserves, professionally trained and properly equipped, represent a vital portion of the Marine Corps' total capability. They provide one-fourth of the total structure and one-third of the Corps' total manpower, trained and ready in the event of mobilization. Additionally, units of the selected reserve are major contributors in the context of total capability.

Forty percent of the tanks, 33 percent of the heavy artillery, 30 percent of the light attack aircraft, and 33 percent of the Corps' anti-aircraft missile capability will come from the Fourth Division-Wing Team, if mobilized.

In any future conflict, as the term "reserve" dissolves into Marines fighting side by side, the Corps is confident that its Total Force, strong thanks to the continuing support of Congress, will accomplish its mission.

OPERATIONAL PERFORMANCE

The Marine Corps remains ready to respond to any assigned mission. To accomplish this, the Marine Corps' top operational priority is readiness. Marines are capable of executing amphibious warfare and are always prepared to perform "such other duties as the President may direct." This combat readiness is available through an array of task organized Marine Air-Ground Task Forces (MAGTFs) fully combat-ready for immediate contingency deployment.

Numerous elements must be coordinated to ensure that our readiness posture continues. Our combat-readiness is the product of qualified personnel, sufficient combat and combat support equipment, realistic combat training, and uncompromising standards of leadership.

Although shortages still exist within some military occupational specialties, the overall personnel situation has improved markedly in the past several years. As far as equipment is concerned, we are at the highest readiness level we have ever achieved. Our improved equipment readiness is a function of the modernization effort. In particular, the introduction of new equipment and vehicles, and improved communications and weapons systems, will enhance our capability to confront today's challenges and to win on beach or battlefield in the future.

Improvements in personnel, equipment, and spare parts have been substantial. Complete fulfillment of both our readiness and sustainability requirements in these areas is essential to our continued success.

TRAINING

The key element in the readiness equation continues to be training, both individual and collective. History has shown us that when a nation is called to arms it fights as well as it has trained. We remain dedicated to ensuring that when Marines respond to the call to arms, their preparation will have been based on the most realistic and effective training the Marine Corps can provide.

Marines train as a Total Force, stressing both active and reserve participation in Marine air-ground team training. Our training standards are systematically developed, mission-oriented, uniformly high, and intensively applied at both the individual and unit levels. This approach enables our Marines to acquire and sustain the skills needed to deal with the complexities of modern combat.

Realistic, mission-oriented training that supports the missions of our force commanders is our highest training priority. A good example of this is the combined arms training we conduct at the Marine Air Ground Combat Center, Twentynine Palms, California. Here, annually, eight regular and two reserve infantry battalions, task organized into MAGTFs with a combat service support element and an aviation combat element, participate at scheduled intervals in this rigorous combined arms training. Our Marines are provided the opportunity to employ every asset of the air-ground team under the most realistic of conditions. An additional 10,000 Marines train yearly at the Marine Corps Mountain Warfare Training Center, Bridgeport, California, where Marines hone their fighting and survival skills in a harsh, mountainous, cold-weather environment. The training at these two centers typifies both the terrain and climatic conditions in which Marines might fight if called upon to carry out our strategic roles in Southwest Asia or in Northern Europe. Annually, we also send two infantry battalions to train at the Army's excellent Jungle Warfare School at Fort Sherman, Panama.

Marine aviation units train to the same high standards as their counterparts on the ground. Realistic aviation training, which teaches air crews how to plan for and conduct offensive air-support operations in a contemporary threat environment, is conducted by the Marine Aviation Weapons and Tactics Squadron I, located at MCAS Yuma, Arizona. Skills developed at the training center are then taken by the air crews to their home units where they are incorporated into unit training programs. Marine aviators also aggressively participate in joint-service training programs such as the Air Force's Red Flag exercises, where Marine air crews improve their flying skills in a demanding air combat environment.

We continue to seek every opportunity to share knowledge and experience through combined exercises and cross-training with our friends and allies. This type of interaction is invaluable not only as a training implement but as a diplomatic tool as well. The Marine Corps, therefore, enthusiastically supports initiatives by Congress and the DOD to bolster Security Assistance Programs.

The successful training of the individual Marine is the foundation upon which our collective effort is built. Recruit training is the cornerstone of that foundation. The training that our young men and women receive at the two recruit depots does more than teach basic skills. Marine training inculcates responsibility and emphasizes patriotism, integrity, citizenship, and brotherhood--all vital traits intricately entwined with our Country and Corps and qualities which we believe are as critical to the transformation of a recruit into a Marine as is mastery of the M-16 rifle. Those qualities which make our Marines unique are directly attributable to our special approach to recruit training.

Our commitment to the highest standards of personal excellence ensures our Marines' success on the battlefield. Yet, these qualities and traits are not the sole domain of our Corps; they are key elements in the social fiber of our society as well. As Marines, we feel that we have a responsibility to society not only for training the world's finest fighting organization, but also for ensuring that our training will always provide a positive direction for the youth of this Nation.

INTERNATIONAL TERRORISM

Let me now comment on the threat posed by international terrorism to our Corps and our nation.

Terrorist violence to shock or intimidate governments is an increasing problem for the world community and US national security. The threat from international terrorism to US citizens, especially to the US military presence abroad, has never been greater. The scars of the Beirut bombings are fresh and sore.

Terrorism is not a new form of warfare, but it has taken on a new dimension. It is no longer just random acts of individuals or small groups but rather acts frequently encouraged and coordinated by sponsor states. State support for international terrorist organizations, to include financial aid, weapons and training, will further escalate the frequency and lethality of terrorism. Consequently, the instability created by acts of terrorism in the industrialized West and Third World nations potentially undermines the security interests of the United States and its allies.

During the past few months, the Marine Corps has responded to this threat by vigorously employing every available asset we can bring to bear on the problems posed by terrorism. The cornerstone of this effort is an ongoing, thorough, and comprehensive review of our posture and capability as it relates to defensive measures, warning, and state of training.

We have already implemented many interim recommendations based on this review, such as improving personnel, facility, and base security and upgrading anti-terrorism training for deploying forces. The review is to be completed on 1 March, and we expect to do a great deal more on a Marine Corps-wide basis, to include enhancing intelligence apparatus to provide timely, accurate intelligence to support anti-terrorist measures and to support a proactive preventive policy.

The Marine Corps is determined to minimize the risk posed by this threat and to frustrate terrorists' efforts to impede the successful accomplishment of our assigned mission.

FORWARD DEPLOYMENTS

The Navy/Marine Corps team continues to operate as an integrated force that is currently deployed worldwide to support national policy, demonstrate resolve to our allies, and serve as a major deterrent to potential enemies.

Forward deployed in Japan, the III Marine Amphibious Force (MAF) provides a presence in the Far East and is available for rapid reinforcement/response in the Southwest Asia region. Continuously deployed from III MAF assets is the 31st Marine Amphibious Unit (MAU), which is forward deployed afloat in the Western Pacific and Indian Ocean. The Near Term Pre-positioned Force, with 7th Marine Amphibious Brigade equipment embarked, remains strategically staged at Diego Garcia and Apra Harbor, Guam, to augment our mobility for rapid closure of Marines into Southwest Asia.

Located on the East Coast is II MAF which deploys units to the Mediterranean on a continuing basis. Since September 1982, these units have comprised the U.S. contingent to the Multi-National Force in Lebanon. II MAF annually deploys a MAU or Marine Amphibious Brigade (MAB) to Northern Europe for training and joint/combined exercises, and frequently deploys similar

MAGTFs to the Caribbean. The first set of Maritime Pre-positioning Ships are to be available during 1984 and 1985, and will be sourced from Fleet Marine Force, Atlantic assets. II MAF units also provide combat elements to III MAF units on a rotating basis for the Unit Deployment Program.

I MAF, located on the West Coast, is tasked with responsibility for developing plans for deployment and employment of Marines in Southwest Asia. Additionally, I MAF provides combat elements for III MAF deployed MAUs and Japan-bound forces for the Unit Deployment Program.

The Navy/Marine Corps team has recently exercised in a number of Mediterranean countries, in Europe, throughout the Pacific Ocean area, in the Caribbean Sea, and with our allies in South America. In West Africa, our sailors and Marines visited six countries as "good will ambassadors," and in Southwest Asia conducted an amphibious landing exercise. These deployments and exercises underscore the inherent flexibility and capability, both seaborne and airborne, of Marine forces to operate in various environments.

FISCAL RESPONSIBILITY

The financial resources we have requested for FY85 will support the requirements and programs discussed throughout this statement. This budget reflects a balanced approach with only minor real growth over fiscal year 1984. It will allow us to "flesh out" our active and reserve forces; continue to support depot maintenance and pre-positioning programs, thus enhancing strategic mobility; and improve training for our reserves. In our procurement appropriation, we continue to emphasize the sustainability and modernization programs of recent years.

I am keenly aware of congressional concern with the proper utilization and expenditure of these resources, and wish to assure you that I personally share those concerns. We Marines will continue to seek economies and efficiencies in all facets of our operations to ensure that our resources are utilized frugally and effectively.

A summary of financial resources by appropriation and authorization request which makes up the Marine Corps FY85 budget to support the programs and requirements discussed during this statement is displayed in Appendix II.

Our FY85 budget request is a forthright appraisal of our resource requirements for the next fiscal year. It has been scrutinized for excesses and, as a result, the Marine Corps' contribution to the national defense continues to be significant while our consumption of resources remains relatively small.

CONCLUSION

In closing, I would once again emphasize that geopolitical realities call for recognition that this Nation must reestablish clear maritime superiority. In the face of Soviet political and military expansion, Seapower, in concert with our forward defense policy and global alliances, represents the linchpin of deterrence --and power projection, should deterrence fail.

The Navy/Marine Corps Team's capability for power projection--to establish and defend advanced naval bases, to seize strategic choke points, or to establish a lodgement through forcible entry--

can be most disconcerting to those who would challenge us. Considering the vast littorals the Soviets would be compelled to defend in the event of general war, it is evident that our capacity to strike at will, when and where we choose, serves as a significant device for strategic distraction which can divert, fragment, and constrain major enemy forces. Such global flexibility, combined with the potent firepower resident in our carrier battle and surface action groups, will always serve to give our adversaries reason for pause.

In the final analysis, however, the establishment and effective exercise of Seapower is the function of Marines and Sailors--quality personnel with the determination and spirit to influence the destiny of this Nation from their outposts on land, at sea and in the air. America's young men and women representing the Navy/Marine Corps Team across the globe have that determination and spirit. With the continued support of the Congress and the American people, they will continue to positively influence this Nation's destiny and, in doing so, the destiny of the free world.

Thank you.

APPENDIX I

ENHANCEMENT PROGRAMS

TABLE I-I

MOBILITY ENHANCEMENTS

Light Armored Vehicle (LAV)	○ Lightweight, flexible, agile fighting vehicle ○ Firepower intensive organization ○ 145 LAV's/LAV battalion (CY83) ○ Helicopter transportable ○ Enhanced strategic transportability
Landing Vehicle Tracked LVT7A1	○ Service life extension program began 1982 ○ Extends use until 1990's ○ New engine, non-integral fuel tank, all electric weapons station ○ 327 new LVT's for MPS
Landing Vehicle Tracked (Experimental)(LVTX)	○ Follow-on to LVT7A1 (IOC mid-late 1990's) ○ Increased firepower, improved water and land speed, lower silhouette, improved armor

TABLE I-II

INFANTRY ENHANCEMENTS

Smaller - Firepower Intensive	○ Personnel - battalion from 913 to 824 (FY83-85) ○ Firepower up 25%
Improved Small Arms	○ .50 cal MG - 8 per battalion; procurement FY82-83 (IOC FY83) ○ Shoulder-Launched Multipurpose Assault Weapon (SMAW) 18 per battalion; procurement FY84-89 (IOC FY84) ○ Squad Automatic Weapon (SAW) - 68 per battalion; procurement FY82-87 (IOC FY84) ○ M-16 Product Improvement Program (PIP) - procurement FY82 - 89 (IOC FY84) ○ 9mm Pistol - procurement FY85 - 88 (IOC FY84) ○ M60E3 7.62mm MG Product Improvement Program (PIP) - Procurement FY84-85 (IOC FY85) ○ MK19 40mm Grenade Launcher - 12 per infantry battalion - procurement FY82-87 (IOC FY84)
Mortar Enhancement	○ 81mm - proposed procurement FY86-87 (IOC FY88) Awaiting US Army IPR & Acquisition Decision ○ Lighweight Company Mortar deliveries complete

TABLE I-III

ANTI-ARMOR ENHANCEMENTS

Tube-Launched Optically-Tracked, Wire-Guided Missile (TOW)	o 144 TOW/division - procurement FY80-86 (IOC FY82) o Phase I procurement complete FY81 - 5" warhead and extended range to 3750M (IOC FY81) o Phase II procurement began FY80 - 6" warhead, extended range and electrical optical countermeasures (EOCM)(IOC FY83) o Night sights, 144/division - procurement FY80-86 (IOC FY82)
DRAGON	o 8 additional per battalion, total 32 (IOC FY83) o Night sight, 16 per battalion - procurement FY79-83 (IOC FY82)
Mobile Protected Gun System (MPGS)	o Helicopter transportable o Joint USMC/US Army program
Tanks	o M60A1, end of service life late 1980's o Replace or upgrade o Enhanced anti-armor capability o M1E1 - submitted as initiative for POM-86 to replace M60A1
Air Delivered	o Modern armor threat necessitates air delivered anti-armor weapons which offer increased aircraft survivability and target lethality o Near-term, state-of-the-art, anti-armor weapons being pursued for both fixed wing and helicopters o Laser Maverick - fixed wing PGM (IOC FY85) o Hellfire - helicopter PGM (IOC FY85) o GATOR - area/area denial weapon (IOC FY86) o 25mm multipurpose gun for the Av-8B (IOC FY85)
Light Anti-Armor Weapons	o Continue to participate with Army in LAW evaluation program o Interested in most cost effective system that meets USMC requirement o Monitor Army's M72 PIP

TABLE I-IV

ARTILLERY ENHANCEMENTS

Conversion to M198	○ New improved structure transition began in FY83, procurement FY79-82 and FY86 ○ 105mm howitzer reduction of 162 155mm howitzer increase of 192
Additional 155mm (SP)	○ Increase of 30 tubes - 3 batteries by FY86, total 5 batteries by FY89
Addition of Target Acquisition Battery	○ One each in FY85, 87 and 88
Precision Guided Projectiles	○ Modular Universal Laser Equipment (MULE) procurement FY82-85 (IOC FY85) ○ Copperhead - procurement budgeted
Family of Scatterable Mines (FASCAM)	○ Area Denial Artillery Munition (ADAM)(IOC FY82), anti-personnel mines and Remote Anti-Armor Mine (RAAM) anti-tank mines - procurement FY81 (IOC FY83)
Artillery Computer System	○ Procurement FY86 & 87 (IOC FY87)
Artillery Rocket System	○ Area saturation system ○ Designed to suppress/neutralize/destroy enemy artillery/forward air defense/C3 systems ○ IOC - TBD

TABLE I-V

AVIATION ENHANCEMENTS

TACAIR	o AV-8B - responsive, effective CAS o F/A-18 - superior fighter/bomber, force multiplier o AH-1T - improved attack helo o CH-53E - free world's most capable heavy lift helo
WEAPONS	o Laser Maverick - precision guided munition (PGM) for CAS o Hellfire - anti-armor helo PGM o Gator - air deliverable anti-armor mine o I^2R Maverick - deep air support weapon
RDT&E	o JVX - self deployable, medium lift assault transport with strategic and tactical implications. o Helo development - T-700 enhanced engine for AH-1T, Hellfire MOD for AH-1J/AH-1T Cobras, helo night vision enhancements.
AIRSPACE COMMAND & CONTROL	o TAOC-85 - command and control of airspace, aircraft and missiles. o IHAWK - medium range anti-air missile. o Stinger - shoulder launched surface to air missile
RESERVE MODERNIZATION	o A-4M - light attack aircraft to reserves as AV-8B enters active component. o F-4J/S - superb fighter/attack aircraft.

TABLE I-VI

COMBAT SERVICE SUPPORT ENHANCEMENTS

Logistic Vehicle System (LVS)	o Four rear body units; container hauler wrecker recovery dropside cargo crane 15th Wheel o Off road mobility o 60" fording capability o Replaces aging vehicles such as 10 ton and other assets together with various trailers and dolly converters o Fielding commences 2d Qtr FY85
High Mobility Multi-purpose	o Enhanced Tow carrier o Weapons platform for MK-19 40MM MG o Replaces 8MT vehicles in marine division o Replaces all communicator vehicles o 26,000 Current Marine Corps Vehicles Replaced by about 14,000 HMMWV's (IOC FY85)
Commercial Utility Cargo	o Replaces the M880 o Three body varients o (a) Utility o (b) Cargo o (c) Shelter carrier varient
5 Ton Truck M939	o Replaces current overaged 2 1/2 and 5 ton tactical fleets o Five configurations o Prime mover for M198 Howitzer
Field Logistics System (FLS)	o Exploits the benefits of containerization o Designed around international dimensional standards o Reduces manpower, system costs and shipping space requirements o Five major subsystems o Enhances logistics support system and readiness posture
Medium Girder Bridge	o Lightweight, hand-erectable, easily transportable, and rapidly employable girder type bridge of welded-aluminum alloy o 100 ft. spans or 162 ft. spans with link reinforcing set o Eight bridges per company (hand erectible by 4 or 6 man teams) o Deliveries made to schools

APPENDIX II

FISCAL

TABLE II-I

AUTHORIZATION REQUEST BY MAJOR APPROPRIATION

($ IN MILLIONS)

APPROPRIATION TITLE	FY 1984	FY 1985
Military Personnel, Marine Corps	3,525.1	4,845.9
Reserve Personnel, Marine Corps	179.6	269.5
Operation & Maintenance, Marine Corps	1,563.1	1,683.1
Operation & Maintenance, Marine Corps Reserve	52.3	58.6
Procurement, Marine Corps	1,741.3	1,978.6
Marine Corps Stock Fund	20.8	34.9

TABLE II-II

END STRENGTH AUTHORIZATION REQUEST

(# IN 000s)

CATEGORY	FY 1984	FY1985	FY1986
Active Duty End Strength	196.6	199.5	201.7
Selected Reserve Average Strength	42.1	44.3	46.1
Civilian Personnel End Strength (USMC Portion of DON Request)	21.3	21.8	22.0
Average Military Student Training Load, Active	20.7	21.2	22.2
Average Military Student Training Load, Reserve	3.8	3.9	4.1

Chairman TOWER. Thank you, General Kelley.

POTENTIAL COST GROWTH

Mr. Secretary, every year the Navy budget includes a category called "Cost Growth." This year's budget includes a category called "Potential Cost Growth."

Can you explain what that is, and what trends you have observed in the cost growth in shipbuilding contracts, and what you have done to get rid of the problem, and do you agree with the contention of many that we are continuing to underprice our weapon systems?

Secretary LEHMAN. Mr. Chairman, I think the record of Navy shipbuilding in both return costs and in the shift to fixed-price 50–50 share line or firm fixed-price contracts makes the result really not subject to discussion or debate the way it has been in the past.

The fact is, while I think we were overpricing our ships as a pattern, we have now largely eliminated that self-fulfilling prophecy factor, although not completely.

It is prudent to make the best judgments and hedge against the uncertainties of further inflation, labor costs, and so forth, and we are doing that but I think that the record of the last 2 years shows that at the same time we are coming in consistently under the budget on both our ships and our airplanes. Therefore, it is no longer possible to say that we are low balling or underestimating the cost of these weapon systems.

The potential cost growth line in the budget is the result of hedging our bets in the event that this good performance may not continue. Basically, it was put into the budget by OSD just in case we start to screw up.

Chairman TOWER. You mentioned the 50–50 share line.

FIXED-PRICE CONTRACT VERSUS COST-PLUS CONTRACT

I wonder if you can expand on the benefit of the fixed-price contract versus the cost-plus contract and explain these higher share lines, that is 50–50 versus 85–15 or lower?

Secretary LEHMAN. Yes, Mr. Chairman.

The fixed-price incentive type contract is appropriate for a project that will stretch over a number of years or the design is not sufficiently mature or escalation cannot be covered adequately by an escalation clause. This type of contract is applied to shipbuilding in particular, and especially for those systems that require design changes as they proceed. That process entails first negotiating a target price and then negotiating a ceiling price to allow for such things as unforeseen inflation, changes in labor and material in cost over the 5-year program, and for engineering changes.

In prior years the share line generally ran about 85–15 percent which meant that when you overran the target price, the Government paid 85 percent of the cost and the contractor paid 15 percent. Similarly below the target the Government gained 85 percent of this cost underrun and the contractor gained 15 percent.

The Navy has shifted to a policy of 50–50 share lines which means that the contractor has to pay 50 cents on the dollar for that cost overruns beyond the target price but he also gets to share 50 cents on the dollar for cost underruns.

I think the record now shows that, where those contracts have been in place, the incentive to get costs under control and get at that 50 percent on the dollar savings under the target cost has resulted in a pattern of underruns rather than overruns. There is now a very real penalty starting with the first dollar over the target. There is also a lower ceiling so that the point of total assumption is reached earlier. So that, where those kinds of contracts are appropriate, they really work.

The ideal contract in my judgment, is firm fixed price. That eliminates any danger for cost overruns once the price is negotiated because any overrun has to be borne by the contractor under that type of contract.

We now have all our Navy aircraft procurement programs on firm fixed price for the first time in Navy history and, last year we brought them in at an average that was 9 percent below the budget.

For instance we put the AV–8B, on firm fixed price 2 years ahead of when anyone said it would be possible to do so. There is no possibility of a cost overrun short of a breach of contract by one party or the other and that will not happen.

I believe that a cost-plus contract is a bad contract type, to be used only when necessary. There are times when it is necessary, particularly in the case of developmental programs. Since you are exploring the unknown, the process does not lend itself to the constraints to putting it within the four corners associated with a FFP contract.

It should be resorted to only in exceptional cases, and that is what we are doing.

We think all of our production should be on fixed-price-type contracts, but that puts a much heavier burden on the services to see that the work is done before the contract is signed.

Risk must be eliminated. For instance, we are in negotiations right now with Litton on the LHD ship that was approved last year.

Since this is just an evolution of the LHA, we believe that this is clearly a fixed-price-type ship. But in order to avoid the potential for claims disputes similar to those that arose in the sixties and seventies, we must work with the contractor to identify and eliminate unknowns in the ship design, those things that cannot be put under fixed price, because nobody is really sure how much they will cost, how much steel or how many man-years will be required.

That is what we are doing. It requires more work up front on the part of the Navy to go fixed price, but it is really worth it in the long run.

NAVAL EXERCISES

Chairman Tower. Admiral Watkins, you mentioned the number of naval exercises that have been held in the past year.

Would you expand on what you said about those exercises? Tell us what some of them were and what benefits you think you derived from these exercises.

Then I would like General Kelley to comment on it to the extent of the Marine Corps participation in these exercises.

Admiral Watkins. Yes, sir, I will give you an example.

This past year for the first time we returned three carrier battle groups to the Northwest Pacific. We haven't been massed to that extent in that part of the world since World War II.

In addition, under our memorandum of agreement with the Air Force we were supplied 30 U.S. Air Force aircraft, F-15's, AWAC's, KC-10 tankers.

It was an intensive integrated operation in subzero weather, with 50 to 70 knots of wind to give us cold weather training, which is one of the lessons learned from the Falklands. We needed to get back to the cold weather flying business in a big way.

The Soviets gave us some of their best forces to help out in providing services. The services provided by the Soviet included some of their latest class submarines and aircraft coming out of Alekseyevka and other bases in Northeast Asia.

Chairman TOWER. It was not a coordinated cooperation, I take it?

Admiral WATKINS. It is probably some of the best coordinated services we have ever received, Mr. Chairman.

At any rate, we learned lessons out of this particular operation which are actually reflected in the budget we have submitted for fiscal year 1985.

For example, we learned about the step change in improvement in performance of the latest class nuclear submarines of the Soviet Union. We had to adjust our acceleration of certain programs to insure that we kept up with what appears to be a very rapidly improving force on their part.

We learned how to deal with the environment and we had to put additional dollars into cold weather equipment, cold weather clothing, and cold weather spares.

In the Atlantic last year we ran one of the most coordinated and integrated operations with our allies we have ever run.

Two carrier battle groups steamed out of Norfolk and intercepted a third battle group coming out of the Mediterranean on its way home from deployment. The ships maneuvered in new kinds of formations that we are testing to deal with Soviet overhead sensor systems.

People often claim that our Navy is becoming more vulnerable. I say it is becoming more impenetrable because we know how to deal with these systems. This is the importance of our technological lead. If we don't give it up, we can stand a three-to-one numerical superiority on their part and still defeat them at sea which I believe that is the case today, but we need the help of the committee to continue.

So, in that particular case we are learning about the strategy and tactics of the Soviet Union and developing counter strategies.

We know his thinking. Our intelligence is excellent. We watch them practice at sea. We are shoulder to shoulder with them in all dimensions—air, surface, subsurface—all the time, as we have been for 20 years.

We are one of the unique services in that regard. Because of international waters we can steam close, we can monitor their performance, their capabilities, and see how tall they are; certainly not 10 feet, but there are a lot of them about 6 feet tall.

We also found out in this particular operation that we could run integrated strikes with our NATO allies using the AWAC. We went all the way into Central Europe with A–6 strikes at extended ranges a thousand miles away from aircraft carriers, supported, in France, by Air Force tankers assigned to naval duties.

This is very important because of the A–6 all-weather capabiity. The demonstration of this practice in company with our allies give us great flexibility in striking ashore if called upon by the European commanders.

In one case we had five different layers of intercepts of Soviet bombers coming down from the north. The first intercepts were by F–15's, our own F–15's stationed out of Bodo, Norway, under the AWAC control of NATO.

We then intercepted them with our own F–4's, out of Iceland, with the AWAC operated by the U.S. Air Force.

We intercepted the Soviet bombers off England with Harriers controlled from our own shipboard platforms.

We had another nuclear cruiser up north and transferred control of the FJ15's from AWAC to the cruiser air control of the F–15's and intercepted them again.

Then we intercepted through our own E–2C's and F–14's off the *Kennedy* battle group as the fifth layer of defense.

So, when people say that the jig is up, the bombers are coming, you can't deal with it, I say we can deal with it—five times before they start to leak missiles through the system.

These are very important exercises, but they also tell us we have some weaknesses. In this particular case we have found that we had to accelerate certain electronics warfare concepts that were only receiving marginal support in our budget.

You will see a marked increase in that component of our war-fighting capability because we can achieve a great deal at low cost. We can do a lot with our ships to confuse an enemy which is numerically superior.

So, these exercises then become critical to the budget process.

We are not fighting these wars alone. We are talking about large numbers of forces like 250 U.S. and allied ships involved in this particular exercise, lots of aircraft from all nations and lots of demonstrations to the Soviet Union who flew 72 sorties out of the north, that the northern flank of NATO is important to us.

So, we watch his procedures and we can adjust our programs accordingly.

All of these exercises are controlled by the unified commanders who have the responsibility to fight those wars. So we are not running off half cocked as Navy leaders fighting the war alone as some think we are trying to fight it but rather we exercise the way how the unified commander intends to fight the war through his contingency plans, and through rules of engagement, and through the national command authority.

Therefore, the exercise, war gaming, at our War College and the real world lessons learned are all factored into the 1985 budget.

Chairman TOWER. General Kelley?

General KELLEY. Thank you, Mr. Chairman.

I think the past year has seen probably as much diversity in both our Conus and out-of-Conus training exercises as we have had in many years past.

Just to give you an example, as you probably know, we habitually keep a Marine amphibious unit in the Mediterranean. That, of course, has been committed to Lebanon.

What is not generally known is the fact that these are Marine amphibious units which operate in the other parts of the world. As an example, in the Indian Ocean we have a Marine amphibious unit that deploys periodically and frequently for training exercises—both joint and combined training exercises.

As another example, in the Bright Star 1983 exercise which was the U.S. Central Command's very extensive exercise conducted this past year, we participated as part of the MAF that was actually in Somalia.

This year we are increasing significantly our reserve participation in our Conus exercises. As an example, we are taking a reserve battalion, the First Battalion, 25th Marines, which will be part of our upcoming exercise next month in Norway, which, of course, is designed to train the brigade that is committed to Norway. Particularly now, as we see our prepositioning of equipment, we are going to do some exercises in terms of actually taking some of that equipment out of prepositioned storage and working with it much like you would see in the Reforger exercises.

This year also, as you may recall, we conducted a fairly extensive exercise in Honduras. This was a MAU level exercise, involving the 28th MAU from Camp Lejeune and was the first time in many years that we have had a Marine amphibilous unit conduct an exercise in that part of the world.

Constantly and continuously throughout the year, as you know, we conduct our combined arms exercises at our training area in Twenty-nine-Palms. This year we had 10 active duty battalion-level combined field exercises and 2 reserve battalion exercises.

One of the areas we have placed increased attention on is the tactics and techniques necessary for aircraft survival on the modern battlefield.

We have, I think, in Yuma, Ariz., one of the most unique organizations of its kind in the military services that trains our people for participation in these kinds of exercises. That is our Marine aviation and weapons training squadrons. They actually perform something similar to Red Flag but, using Marine assets, Marine pilots, and Marine aircraft, they perform extensive training for survival on the modern battlefield.

These are just random samples, Mr. Chairman, of the kinds of exercises that we are conducting.

Chairman TOWER. Senator Nunn?

Senator NUNN. Thank you, Mr. Chairman.

I welcome all of you here today.

Mr. Secretary, I will get back to you in a minute, but I want to commend you for what I think is an excellent trend in the Navy. I note on page 9, and I am quoting your statement:

> As a result of our pursuit of more competition, the percent of all our procurement transactions awarded competitively has risen from 28.4 percent in fiscal year 1981 to 39.5 percent in fiscal year 1983.

I congratulate you on that. I will have a couple questions on it later on, but I think that is a strong move in the right direction.

SITUATION IN BEIRUT

General Kelley, all of us have read with alarm concerning the widespread reports about the deteriorating situation militarily and politically in Beirut.

What do you think the events in the last couple of days mean to our marines in their positions now?

Particularly what do you see as the mission of the marines now in this very difficult situation?

General KELLEY. The marines themselves, sir, are well dug in. I think the fact that they have received the volume of fire they have received and the casualties have been so minimal is an indication of that.

The mission remains the same. The mission is the presence mission.

Senator NUNN. Could you relate that mission as to how it is helping the Lebanese Government or Lebanese Army?

In other words, what is the real role of the marines now and what does the mission of presence mean in this situation? How does it help?

General KELLEY. I believe that the presence mission assigned to the marines allows an air of stability for the Lebanese Armed Forces, at least it provides a backbone, a visible manifestation of U.S. presence.

Senator NUNN. Do you think that is helping to sustain the Lebanese Government now?

General KELLEY. Yes, sir, in my opinion, it is.

Senator NUNN. Do you have any information, General Kelley, about how much of the Lebanese Army remains loyal to the Government?

General KELLEY. No, sir, I don't have that kind of information.

Senator NUNN. General Kelley, have we had any planning for various contingencies that could arise as a result, let us say, for instance, of a possible all out assault on our marines by some of the militia groups?

Do we have contingency plans to deal with that situation?

General KELLEY. Yes, sir, we do.

EXTRACTING MARINES FROM LEBANON

Senator NUNN. Do we have contingency plans to be able to extract our marines from Lebanon under fire?

General KELLEY. Yes, sir, we do.

Senator NUNN. Do we have enough fire power, enough support forces, enough presence offshore to augment that kind of pull out, if necessary, if the pull out was conducted under fire?

Genera KELLEY. In my professional opinion, I believe we do, yes, sir.

Senator NUNN. Admiral Watkins, do you agree with that? Do we have sufficient forces on hand to extract the marines under fire, if necessary?

Admiral WATKINS. Yes, sir, we do.

Senator NUNN. You would not have to bring in reinforcements?

Admiral WATKINS. We will always move in more reinforcements if available, Senator Nunn, irrespective of whether or not theoretically we have the right level in being.

I can assure you that the Commander-in-Chief of the forces in Europe will move forces as necessary to insure that he has adequate forces there.

Senator **Nunn**. General Kelley, have we cranked in any of the lessons on Lebanon into the marine training cycle and if so, what?

General **Kelley**. Indeed we have. With the magnitude of the incident which happened on October 23, 1983 we are increasing our training significantly in the antiterrorist role.

I will be very happy to provide a comprehensive statement on precisely what that is for the record, Senator.

[The information follows:]

Increased Antiterrorist Training

Prior to the Beirut tragedy of October 23, 1984, the sources of countering terrorism training for the Marine Corps were: (1) Army or Air Force formal schools; (2) classes conducted at selected Marine Corps schools (plus a Marine-unique class for military police at Lackland Air Force Base), and; (3) briefings provided by Marine counterintelligence/intelligence personnel for deploying units. This training continues. The Marine Corps, however, has since launched a number of initiatives to improve its capability to combat the terrorist threat.

Mobile training teams (MTTs) have been obtained to assist in handling Marine Corps training requirements. Specifics on their visits to date appear below:

MTT from Fort Leavenworth presented a 40-hour package to approximately 150 Marines of the 2d Marine Division, 2d Marine Aircraft Wing, Second Force Service Support Group, and Camp Lejeune during January 9 to 13, 1984. This team also presented a one-day executive level countering terrorism course on January 11, 1984 to 75 general and field grade officers. The 40 hour presentation was video taped for use by other Marine Corps units and activities.

MTT from U.S. Secret Service presented its "Executive Protection Course" for generals' drivers and aides, and military police on January 11 and 12, 1984 at Camp Lejeune.

MTT from Fort Leavenworth returned to Camp Lejeune January 30 and February 3 and duplicated its January 9 to 13 training package, to include a one-day executive level course.

MTT from Fort Bragg taught individual terrorism awareness techniques during January 31 to February 2 to the units that will comprise the 24th Marine Amphibious Unit.

MTT from U.S. Army Military Police School, Fort McClellan, gave a presentation to Marines at Camp Lejeune during February 6 to 10, 1984. This MTT also conducted a separate one-day class during its visit entitled, "International Threat Assessment Briefing." A total of 414 Marines attended this MTT's presentation.

It is obvious that the concentration of effort regarding MTT's has so far focused on Camp Lejeune. Since the units deploying to Beirut originate from this area and adjacent air facilities, it has received first priority. This priority of effort is also reflected in the 2d Marine Division being the first major Marine command to conduct countering terrorism block training. This five-day course was inaugurated in January of this year. Above division level, a coordinating committee for countering terrorism training within the Fleet Marine Force, Atlantic, has been established at the Force Headquarters.

As for the other major Marine Corps commands, requirements for MTT's have been identified and efforts have been underway to obtain the necessary MTT assistance.

At Headquarters Marine Corps, the issue of countering terrorism training has been viewed from the standpoint of instructing our most vulnerable units now, and looking into the future to ensure all Marines are trained in combatting the tactics employed by terrorists. To prepare for long-range considerations, the Marine Corps Development and Education Command has been tasked to evaluate the status of Marine Corps tactics, techniques, procedures, and equipment employed to combat terrorism. This evaluation will be completed by early March 1984. To promote effective Marine Corps-wide training within units, a draft order, entitled "Mission Performance Standards for Antiterrorism Operations," has been developed and routed to the major Marine Corps commands for comments. It is due back to Headquarters Marine Corps by March 31, 1984. Finally, in preparation for future training needs in this area, the Marine Corps has conducted extensive liaison to determine where the assets exist, both inside the Department of Defense and elsewhere, that can assist our training efforts. As an example

of this, the Chief of Naval Operations recently mandated that the Naval Investigative Service deploy specialized counterterrorism briefing teams to areas outside of the continental United States. These teams will provide Naval commands on-site awareness briefings, vulnerability assessments, and assist commands in identifying appropriate terrorist countermeasures. The Marine Corps has been offered this training, which will commence March 1, 1984, and anticipates employing these briefing teams throughout the Marine Corps.

Senator NUNN. That is part of our training now?

General KELLEY. Yes, sir.

Senator NUNN. It has already been incorporated or is being incorporated?

General KELLEY. There is an awful lot that is being done in that area. What we have done is taken the lesson learned from October 23 and we have cranked that into our training syllabus.

ROLE OF MARINES IN LEBANON

Senator NUNN. Your testimony is that in your personal view the marines still have a crucial role to play in Lebanon even under these conditions?

You think the mission of presence remains important today?

General KELLEY. I believe it remains important, yes, sir.

Senator NUNN. Under what conditions would you believe, General Kelley, that the mission is no longer a mission that either furthers our own interests or the Lebanese Government's?

How far would it have to deteriorate?

General KELLEY. Could I beg your indulgence and answer those kind of questions in executive session?

Senator NUNN. I will defer to your judgment on that.

Senator KENNEDY. Mr. Chairman, it seems to me we are talking here about a matter of vital national interest to the American people. They would want to know these policy considerations.

As I understood, the question wasn't a technical question, but in terms of a policy question. As I understood the Senator's questions, he is talking about policy considerations. I think the American people want to know about policy.

Chairman TOWER. Let me say, Senator, that I don't think that we can expect the service commanders to articulate policy positions, that we still do have civilian dominance of the military. Civilians make policy. The military merely implements it.

Now, I think if you want to talk about the political or diplomatic value of American presence, that we should get people here from the administration, the State Department perhaps.

On the other hand, too, I think if the Service Chiefs would prefer to respond to something in executive session, we should honor that. We can make the determination once we have heard them in executive session whether we think we should go public.

I certainly would not want to see us insist on sensitive matters being revealed here, particularly in connection with contingency plans that might jeopardize the safety of our people.

Therefore, I would have to rule that General Kelley is within his rights in saying that he would prefer to provide a response in executive session.

Senator NUNN. Mr. Chairman, I will defer to your judgment on that and General Kelley's. But I would ask that we have an executive session after this open session because I think it is important for our committee to really find out General Kelley's own professional and personal opinion about the mission.

I have heard from the civilians about the mission for a long time. I have yet to figure out what that mission really means and how it relates.

We have the former Marine Corps General Haynes, who I understand said this morning we have two choices, either reinforce the marines with a contingent marine force of about 45,000 marines to fully pacify the situation around Beirut or withdraw them.

Now, if that kind of situation is indeed accurate and those are our choices, I think this committee should be informed of that. I would certainly defer to having it in executive session.

Chairman TOWER. If I may interject, Senator, I think the committee does have a right to know. I don't think that everything has to be spread out on the public record.

I think there are many sensitive matters that the committee has a right to know about and should know about and that is information the committee should seek. But I think we should exercise some prudence.

Senator NUNN. I agree with that. I will reserve that question to the executive session. I hope we can have an executive session because I think the situation of timeliness is the key here.

I think this commitee needs to be informed of that in a timely fashion. I would hope that the chairman would agree to an executive session immediately following this one or at least sometime today.

Chairman TOWER. Let us see how we get along.

Senator KENNEDY. Could we get a response to the Senator from Georgia's request?

This is certainly an issue that is in the minds of all Americans. It is not an unreasonable request.

Chairman TOWER. I don't think it is at all unreasonable to request an executive session. I think we should have one on this whole matter. I think such an executive session probably should include other people than the Commandant of the Marine Corps.

I will not say that we will have it today, but let me say we will have it in a timely fashion. We could have it today, but we have to look into the whole matter of naval posture and the naval request today.

That is our first business today. Therefore, depending on time constraints and availability of people, we will set up, at the earliest possible moment, an executive session.

Senator NUNN. If we do have a session today, I would not plan to ask General Kelley policy questions of a nature that would require the NSC or the President or the Secretary of State.

I really want to ask General Kelley the simple question about what our marines are doing there, how we are going to get them out and under what conditions he believes their military mission would no longer be possible to achieve.

Those are military questions. I think we have entirely too much intermingling between policy questions and political questions in Lebanon. That is one of the reasons we are in such a trap right now.

We have never had a properly defined military mission. I think many people in the military service agree with that, including some on the Joint Chiefs. I think it is about time we start listening to military advice in this area.

Chairman TOWER. I don't question that for one moment, Senator Nunn. I agree with you.

However, I would not like to require service chiefs to try to spell out here what the procedures would be for the extraction of American forces, and thereby telegraph our punch to a potential adversary.

Senator NUNN. I agree with that. I would certainly agree with the chairman we should do this in executive session, I do think the executive session is necessary, and I think it needs to be done today.

I would hope at the conclusion of the hearing the chairman will agree.

Let me move on, Mr. Secretary, to another question.

Senator STENNIS. Before you leave this altogether, Senator Nunn, I want to ask a question on training.

MARINE AMPHIBIOUS UNIT [MAU] TRAINING

What training did these men have when they were first put in there, what was the special training, if any? What were they expected to do?

I agree, wholeheartedly, we should have a closed session to go into the other part.

Would you permit one question about that training before we leave the subject entirely? Would you yield for that purpose?

Senator NUNN. I yield.

General KELLEY. We can provide you with a comprehensive answer to that question. But when a Marine amphibious unit is deployed to any part of the world, particularly in recognition of the terrorist threat that has existed for some time in Beirut, they have always been given threat briefings by counter intelligence personnel.

This includes intelligence information on the hostile threat, a briefing on the various confessional groups and factions and what makes them up, a personal awareness program and also security measures that would have to be taken when you would have that kind of threat.

[Additional information follows:]

The 24th Marine Amphibious Unit (MAU) received extensive predeployment training to prepare it for operations in the multi-threat environment of Lebanon. This training included, among other subjects, offensive and defensive operations, helicopterborne operations, tank/infantry operations, individual protection, and essential subjects. Certain elements, which were relevant to counteracting terrorism, were part of this training, e.g., unit security, discipline, dispersion, and interior guard. While predeployment training prepared the 24th MAU to deal with all types of enemy threats, there was no specific training which you could "tie a bow around" and label "countering terrorism training." The 24th MAU did receive approximately 6 hours of counterintelligence (CI) briefs given by a counterintelligence team (CIT). Two days prior to deployment, a CI sub-team was formed for deployment with the MAU.

The approximately 6 hours of CI briefs given to elements of the 24th MAU prior to deployment covered the following:

The Hostile Intelligence Threat

Radical and Religious Factions in Beirut

Essential Elements of Information (TEI)
Security (Operational Security, Handling Classified Material)
Personal Awareness

The CI Sub-Team also conducted classes on the above subjects while aboard the various ships en route to Beirut. Some of these classes were video taped and distributed to the various units aboard Navy ships.

Once in Beirut, the CI sub-team made continuous visits to units to update them on current intelligence and pass information on the multi-threat environment.

Senator STENNIS. These men were given that training?

General KELLEY. These men are given that training.

Senator STENNIS. The first group?

General KELLEY. Yes, sir, they have all had a degree of training which through necessity, has now been intensified.

AIR STRIKES AGAINST SYRIAN FORCES

Senator NUNN. Secretary Lehman, yesterday in the Washington Post you were quoted as to your views on the recent air strike against Syrian artillery and aircraft positions in which we lost two pilots.

You "would have recommended strongly up the chain of command that those targets be hit by the *New Jersey* and not by tactical aircraft and if it had to be done by aircraft, it should have been done at night."

Without getting into all the details of that, are there any lessons here that we should know when we are looking into this whole question of chain of command?

Obviously, there were some problems in chain of command as you viewed it in that air strike.

Are there any lessons here that you would like to share with the committee?

Secretary LEHMAN. I think the primary lesson is that the air strike was a success. It had the intended effect, which was to signal to the Syrians that we were capable of responding spontaneously, immediately, and with effective force against whatever elements of the Syrian armed forces fire against United States airplanes or marines. That was the purpose to send that message. Timing was important; to do it right away, to do it against those elements that were associated with the original attack on the F-14's.

That meant daylight. That meant hitting those elements from which the firing had come even though they were probably the most difficult kinds of targets in that environment to hit. It was a success. That is the principal lesson.

Senator NUNN. Why do you have to hit somebody in daylight for them to know they have been hit? Whoever gets hit knows it?

Are we trying to convince the Syrians or the world?

Secretary LEHMAN. It is important that the response not be separated by too much time from the provocation. Also, when you choose to hit those elements and eliminate the possibility of civilian casualties you have to eyeball the targets.

Those targets were not appropriate for night, immediate reaction strikes because they weren't radar significant targets.

I think the mission had a purpose. It succeeded. We have had very, very limited firing since that strike against our reconnaissance missions and no evidence of Syrian firing against the marines.

Senator **Nunn**. You say here: "The chain of command had its reasons, but the battle commander knows not of."

You also say: "The A–6 is the most capable night attack aircraft in the fleet."

What is your understanding about where those orders came from to conduct that mission in the daytime? What was the chain of command?

Secretary **Lehman**. I am not in the chain of command and I would not want to speculate on its ordering. That is really out of my purview.

Senator **Nunn**. My time has expired. I will come back to Admiral Watkins.

Chairman **Tower**. Senator Goldwater?

Senator **Goldwater**. Thank you, Mr. Chairman.

I want to comment on your decision relative to General Kelley's testimony.

I don't think this is the place to discuss the marine mission in Lebanon. This is a hearing on the condition of the Navy and Marine Corps.

I will remind my colleagues we have lost the last two wars because of the intervention of civilians. Maybe we have carried the idea of civilian control too far.

MARINE F–18 FORCE STRUCTURE

General Kelley, the Marines are now very interested in F–18's. Is that not right?

General **Kelley**. We have three active squadrons right now, Senator Goldwater.

Senator **Goldwater**. Speaking for yourself and not speaking as Marine policy, if we approve the wing structure that you feel you need, would you be willing then to give up the A–6E's?

General **Kelley**. The question, as I understand it, is would we be willing to give up the A–6's?

Senator **Goldwater**. Yes.

General **Kelley**. Right now they will take us well through the decade and that is the only medium-attack all-weather bomber that we have.

I would be reluctant to say we would be willing to give them up.

Senator **Goldwater**. I understand the Marine aviation is interested in and increasingly desire to incorporate the F–18 in the total force structure. It is a good medium-range bomber, a good air-to-air fighter, and the A–6 has been around 20 years, and while it is still a wonderful airplane, but what I am trying to bring out is if the Navy wants to go ahead with plans to modernize the avionics of their three major aircraft, the F–14, the A–6, and the F–18, it is going to take quite a bit of money.

If we try to satisfy the Marine needs and the Navy's needs, I am afraid we can't quite come up with sufficient money. Maybe you would like to think about that and let us know a little later on how you feel about an F–18 force structure.

I don't buy the idea that it is only medium range. I think you could stretch that rascal out quite a way if you have to. In that respect, if you come to a decision that would allow us to go ahead with modernizing the avionics of the A-6's, I don't think there will be trouble for the Navy.

Otherwise, having to buy an old airplane for two outfits with added cost for improvement might not sell.

That is all I have, Mr. Chairman.

Chairman TOWER. Senator Stennis?

SHIP PROTECTION OFF LEBANON'S COAST

Senator STENNIS. What protection do our nearby ships or those in the area of Lebanon now have from surprise attack, even by one plane or more suicide planes?

With the dimension of things having been greatly extended over there, what kind of protection can you give them?

Admiral WATKINS. Senator Stennis, we have many answers to that question. Let me start this way.

First, our entire concept of fleet operations involves what is called a defense-in-depth concept. This means when we have carrier operations along with our units, as we do now, and have had for some time in the eastern Mediterranean, we can have airborne, combat air patrols 24 hours a day or ready on deck-launch intercept to move out and intercept those targets for identification and the like that are picked up on our various sensors.

These sensors range from our national reconnaissance systems all the way to local radar sensors and eyeball.

Our system extends several hundred miles from the carrier which is well off the shore from Beirut. The carriers are operating south of Crete—well away from Beirut—in a nice vantage point to watch the air picture in the Beirut area.

In addition to that, we have all the missilery aboard for dealing with sophisticated targets of which the terrorist kamikaze aircraft is not one.

The biggest problem in dealing with this kind of insidious threat is the fact that this Nation does not want to become involved in a KAL-007 shootdown. Therefore, it requires the most sophisticated rules of engagement change. This means that the national command authority, and the Joint Chiefs of Staff, and the Unified Commander in the field have gotten together and we have raised the level of readiness through a change in rules of engagement which is very critical to this operation.

That has been done by demarches to the terrorist nation involved as well as by the International Notice to Airmen and Notice to Mariners channels.

You may recall sometime ago Syria opposed the kinds of notices and regrets we made in the Mediterranean as did the Soviet Union. This procedure does not deny them free passage at sea.

It merely says be cautious in our vicinity because we are not going to be tolerant of inbound aircraft, Bonanta or whatever type, loaded with bombs to come in and hit one of our ships before we bring it down. So, we have a very precise set of rules of engagement now in effect.

On two occasions we have had aircraft come in unidentified. We have intercepted them with our own aircraft. We have fired tracer shells ahead. We have come up on international radio frequencies and told them to clear the area only to find they turn on their lights and IFF. They were friendly in both instances.

So, we are on our toes out there.

Now, if for some reason a terrorist aircraft were to get into visual range before we were actually able to carry out our full range of actions rules, then as a last measure we must bring it down. Any unknown plane that is approaching certain ranges, or inside certain ranges, and certain distances, still heading in toward our ship, will be removed from the sky.

The same with surface ships that are coming in at high speed. We have been threatened on occasion with high-speed patrol boats—surface craft at night. We have fired 50-caliber rounds in front of them, have warned them to stay away and in fact they turned away, otherwise we would have taken them out of the water.

This is an insidious sort of conflict we are in worldwide, not only here but in the Persian Gulf. These new rules of engagement have been executed. They have been announced to the world. We are doing everything legally in accordance with international law.

We have plenty of onboard weapons. One of the reasons we put the Stinger, which is a hand-held infrared sensing missile, on board certain of our ships is because we know Americans are not going to bring down an aircraft that is coming at them but may have a CBS labeled on the side of it. We just can't do it.

Therefore, we must wait in many cases to the very last minute, in extremis, before we take action. We are ready to do that. This hand-held weapon will bring down slow-moving helicopters, small civilian planes, like Bonantas, that perhaps our more sophisticated missiles can't engage because the targets are now inside our systems' minimum range for last-ditch verification of their terrorist identity.

On the other hand, I am not that concerned about a kamikaze kind of attack because we have made clear to Khomeini and the President of Syria that we are very serious about a tough response and I think they know it.

Senator STENNIS. It is encouraging to know that you have the capacity.

Secretary LEHMAN. You will recall a year ago I testified that, as a result of the Falklands, we had moved a substantial amount of money within the Navy budget. As a result of 10 years of underfunding, even though we had invented and developed the systems able to deal with suicide planes and Exocet missiles, they were only on 4 percent of our ships.

CLOSE-IN WEAPON SYSTEM [CIWS]

We started as a result of that, as I testified last year, a major crash program to get the Close-In Weapon System [CIWS] into the fleet.

As a result of that, we have been able now to move funds and increase production to put the CIWS on every ship that now deploys to the Mediterranean. This change was in response to the lessons learned, and was supported by this committee last year.

Senator STENNIS. That is all I have, Mr. Chairman.

Chairman TOWER. Senator Humphrey?

Senator HUMPHREY. We are on the results of engagement. That is one of the things that worries me about our situation in the eastern Mediterranean.

It seems to me we put our military in a situation that while they are still responsible for their men, and equipment, and ships, the rules of engagement are such that they cannot take the precautions in depth which they would ordinarily take in a hostile situation.

It seems to me to be a fundamental and serious problem. Admiral Watkins pointed out the deployment of Stinger missiles to the ships because the rules of engagement are such that we cannot attack an incoming aircraft until apparently it is visually identified, and to think that these ships and these men are defended by a weapon that is intended for infantry, I can just visualize sailors running around on the decks of these modern multimillion-dollar ships with an infantry weapon trying to decide whether a Bonanta or something else is friendly or unfriendly.

It is an outrageous and terribly dangerous situation, it seems to me. If we are going to maintain this military presence, Mr. Secretary, why did we not then quarantine some air space and sea space so that we don't have to wait until the last minute, as Admiral Watkins put it, and use infantry weapons against something much more sophisticated?

I think we need to quarantine some sea and air space if we are going to keep some people over there.

What do you think about that, Mr. Secretary?

Secretary LEHMAN. I believe that is, in effect, what we have done. But one of the difficulties with enforcing an exclusion zone is that part of the objective in Lebanon is to stabilize the Lebanese Government and to get the beginnings of a return to law and order in the area. The airport at Beirut, which is essential for supply and transportation, happens to be right smack in the middle of our operating area.

So, civilian airliners and private planes have to come in and out all the time. Within that limitation, we have created a quarantine zone around our ships.

Senator HUMPHREY. Then why are we waiting until aircraft are within the visual range to use the Stinger missiles against them if that is the case?

Admiral WATKINS. If I may, Senator Humphrey, I don't think we are waiting until they get into Stinger range.

I think this committee would be very upset with the leadership of the military if we had such an incident and you were to ask me: "Did you do everything possible to put on that ship the defensive systems necessary?" And I said: "No, I didn't put Stinger onboard." Stinger happens to be a very effective weapon, for example, against a slow-flying, lumbering, low-on-the-water helicopters that can pop up only a few miles away against one of our ships.

Additionally, we don't have long antiair reach from an amphibious ship. When amphibs get into that situation, we need all the help we can get because of the insidious problem of a kamikaze that doesn't lend itself to the amphib weapon or the sophistication of long-range weaponry.

We must have everything at our fingertips in the way of antiterrorist weapons. These boats and aircraft that came in were intercepted well beyond the ships by our aircraft, and identified as unknowns by the group commander.

We followed them all the way in. The point is to try to steer them away, get them to go elsewhere, particularly in a cluttered air environment, where we have Soviet aircraft and ships, Syrian vessels of various types, and commercial aircraft going into BIA where we are on the major air routes.

It is a very complex environment to put these people in. I don't think any of us want to leave ourselves open to question just because we may not have had an IFF or something like that at long range. If we suspect something, we must separate within well-established criteria in the event that we were to bring down some commercial or other kind of aircraft such as the CBS aircraft I mentioned which was actually flying in the region right after the marine tragedy.

We had to put out a very strong notification that we could not tolerate that any more. These are the things we have to do. I believe we are covered.

We are not going to wait for some clear threat to congeal until it is able to hit us. Hopefully we will get it on the ground before it leaves the airport.

Senator **Humphrey**. Is it correct that there are civilian ships operating in and amongst our warships?

Admiral **Watkins**. I didn't hear the question.

CIVILIAN SHIPS IN AREA

Senator **Humphrey**. Is it correct that civilian ships under the present rules are sailing in and amongst our warships?

Admiral **Watkins**. Only the Soviet tattletales who have been with us for 20 years. There are miscellaneous ships, but they are not tracking or sailing with us. They happen to be on the normal routes in and out of Beirut.

Senator **Humphrey**. That is my question. The answer is yes?

Admiral **Watkins**. That is who they are, where they are, and we track them.

Senator **Humphrey**. The fact they are sailing amongst our warships improves the chances that some determined group can launch a successful antiship missile against us from one of those ships; does it not?

The point is if we are going to keep the ships and men in this vulnerable position, I believe we ought to have, and I recommend strongly that we quarantine those waters and create certain waterways, channels through which commercial vessels can sail, but quarantine those waters within and between our ships and around them and likewise in the air, radar corridors.

Secretary **Lehman**. That would create a larger problem than the one you cure because we use the entire Eastern Mediterranean to maneuver in, all the way from Egypt to Cyprus. We cannot close off the Eastern Mediterranean to do this job.

If we lock ourselves up in an exclusion zone, we become much more vulnerable to other kinds of threats like cruise missiles.

Senator **Humphrey**. I am suggesting a quarantine in those blocks of sea where our ships are presently patrolling just offshore Beirut. I realize we can't extend that quarantine to the entire Eastern Mediterranean.

That does not mean we can't do it where the danger is the highest. That is what I am saying.

I won't pursue it any further at this juncture at this hearing, but I do hope it will be considered.

I think it is outrageous that we have these men and equipment in such vulnerable positions.

Secretary **Lehman**. It has been done.

Senator **Humphrey**. It has not been done. If there are civilian vessels sailing among our warships, it has not been done.

Secretary **Lehman**. You are playing with words. It does not mean they are within shooting range or are allowed to go willy-nilly through the formations. There are clear routes in and out of Beirut and they stick to them. So, we have established rules that are exactly what you are talking about.

Senator **Humphrey**. There are established sea lanes?

Secretary **Lehman**. That is right.

Senator **Humphrey**. What happens if ships depart from the sea lanes?

Secretary **Lehman**. They are called up on channel 16 and warned away. If they don't heed, we fire ahead of them and if they continue, we fire for effect.

Senator **Humphrey**. Thank you.

Chairman **Tower**. Senator Levin?

Senator **Levin**. Thank you, Mr. Chairman.

MARINES IN BEIRUT

Like a number of others in this body and in the Congress, I believe that the current situation of our Marines being pinned down and passively located in near the airport in Beirut is not a sign of American strength and will, but has become indeed a sign of weakness since they are unable to act.

I think it is appropriate that this committee get into it. I am glad that we will go into executive session and I certainly support that in terms of the military aspects and exactly what military function the Marines are performing under these circumstances.

I do have two questions, however, that relate to public utterances. I will save the rest of them for executive session so that we don't get into matters that should not be addressed publicly.

There have been a couple of public statements that I would like to ask about.

One is the statement yesterday of the Secretary of State that our policy in Lebanon is now under review.

I would like to know from the Secretary first whether or not he has been privy to that new review?

Secretary **Lehman**. That is not really my responsibility and I have not been privy to the deliberations.

Senator **Levin**. Second, Mr. Secretary, with respect to the statement of the President a few weeks ago relative to at least consideration of or eliminating consideration of courts martial, assuming they are appropriate, in connection with the terrorist bombings that took so many lives in Beirut, I don't want to reach any conclusion, whether they are appropriate or not or prejudge any such activity, I believe too much in the military justice system to do that.

My question to you, though, is the following: Is it your understanding that the President has ruled out consideration of courts martial in connection with those terrorist bombings?

Secretary LEHMAN. Very definitely, yes. The President has assumed responsibility and has ruled out article 32 or courts martial for that event.

Senator LEVIN. Was that done in some kind of executive order or ruling or was that done in his press conference or speech?

Secretary LEHMAN. That was done in a directive to the Secretary of Defense.

Senator LEVIN. There has been a written directive on that?

Secretary LEHMAN. I am not sure on that. I will have to provide that for the record.

Senator LEVIN. We have been having some problems getting such a directive.

Secretary LEHMAN. There is no doubt in the Pentagon that that is the President's decision. That does not, however, rule out administrative action.

Senator LEVIN. I understand there is no doubt in the Pentagon it has been ruled out.

My question is: Is there a written directive?

Secretary LEHMAN. I will have to provide the answer for the record.

Senator LEVIN. It is your understanding there is?

Secretary LEHMAN. There is a clear decision by the President. What form it took, whether it was verbal, cable, written, I don't know. I will provide that for the record.

[The information follows:]

PRESIDENT'S DIRECTIVE

Secretary LEHMAN. There is no written directive.

Senator LEVIN. Do you agree with that directive?

Secretary LEHMAN. Yes, sir.

MARITIME SUPERIORITY

Senator LEVIN. Mr. Secretary, last year you told us that our narrow margin of maritime superiority vis-a-vis the Soviets is gone.

Does that continue to be your position?

Secretary LEHMAN. I believe that our margin of superiority disappeared at some point in the seventies and not until we have achieved our force structure and readiness increases by the end of this decade will we regain it.

Today we do not have superiority over the Soviet Union.

Senator LEVIN. What was meant by the military posture statement that just came out of the organization of the Joint Chiefs of Staff when they said the U.S. Navy will maintain its open oceans' superiority?

Secretary LEHMAN. You will have to ask the Chiefs.

Admiral WATKINS. I am not familiar with that, Senator Levin.

I do know that the policy is selected sea control in those areas where it makes the difference. That has been the national policy. That is the one we are following.

I assume it is some variation of that. Without going into the context, I can't comment on that.

Senator Levin. Don't you review the military posture of the Joint Chiefs before it is published?

Admiral Watkins. Yes, sir, we do, but I don't review the Chairman's specific words.

We review the policies. They are in keeping with the defense guidance. He prepares those for his own statement. We have a chance to review.

I don't recall that as being an issue that came up at all, sir.

Senator Levin. Do you agree with the statement of the Chairman of the Joint Chiefs of Staff that the U.S. Navy will maintain its open oceans' superiority?

Admiral Watkins. I wish I knew more of the context. I can't take that one statement alone and say that is the maritime strategy because it is not quite on target. It is broader than that.

It is certainly true in selected areas of the world. We don't necessarily train to maintain superiority everywhere. We can't. We depend on sequential operations. We go where we need to go and do things that the Nation has to do.

Senator Levin. Will you review the posture statement of the organization of the Joint Chiefs and the Chairman's statement?

It is something we ought to get your comment on. It certainly differs from what you told us last week.

If the Chairman of the Joint Chiefs of Staff doesn't agree with it, we ought to know that.

Admiral Watkins. I will provide that for the record.

[The information follows:]

JCS POSTURE STATEMENT

The phrase "open-ocean superiority" in the OJCS Military Posture statement means that the U.S. Navy enjoys a clear advantage in seabased TACAIR, antisubmarine warfare, and layered anti-air warfare. One should not infer, however, our potential adversaries are standing still—they certainly are not. Rather, while we still enjoy some advantages, the overall margin is not what we would like. We can still make the difference with selected sea control in those areas that are most important to U.S. national interests. While the terminology may appear to differ, there are no differences in the statements. As I stated last year, "maritime superiority is not a requirement to dominate militarily or to match any adversary weapon for weapon; it, in fact, relies on a selective and sequential strategy which supports our 'forward defense' concept."

MILITARY MARITIME SUPERIORITY COMPARED TO SOVIETS

Senator Levin. Admiral, in how many measures of military maritime power is our Navy inferior to the Soviet Navy and in how many are we superior to the Soviet Navy?

Admiral Watkins. Let me answer the latter question first because it is easier for me to do that.

Clearly, we have about five areas in the Navy that are still significantly superior to the Soviet Union and they know it.

These areas are performance of our nuclear attack submarines, the entire antisubmarine warfare capability of the U.S. Navy, the Navy-Marine Corps team, tactical air at sea, and the Trident submarine with its superior capability over anything the Soviets have today; and, with the D–5, it will continue to be superior.

Those I call the five jewels in our crown. You will find in large measure they contribute significantly to our 1985 defense budget submission; large in the research and development area, large in the sense that antisubmarine warfare commands the greatest percentage of all our warfare areas and the like.

We have also a commanding lead over the Soviet Union in selected technology areas which I would prefer not to expose in open session.

It is imperative, therefore, that we maintain the lead in these specific areas so that in balance with our other numerical inferior forces we can offset the Soviet advantage.

Senator LEVIN. My question is numerically in how many measures of military maritime power are we superior and in how many inferior?

Admiral WATKINS. I haven't racked them up that way, because no agreed listing of measures of maritime power exist. I don't have a number off the top of my head. I could probably work an analysis up to provide a representative sample, but it would not be a meaningful comparison.

Senator LEVIN. You have never racked them up that way?

Admiral WATKINS. I cannot give you a number.

Secretary LEHMAN. It has very little to do with the measure of maritime superiority. The way we measure maritime superiority is by determining if the Navy can do the task required by the threat.

It has very little to do with stacking up the number of destroyers in one Navy versus the other. It includes the geography of the ocean area, the objective that needs to be supported, the amount of tonnage that as to be resupplied, and can we do it?

Those are the questions.

The Soviets have a large numerical edge. We have a tonnage edge. The question is can you do the tasks in the time necessary to avoid losing the war?

Senator LEVIN. You have never analyzed by how many measures the military powers are ahead?

Secretary LEHMAN. I sure have and I have found them of very little use. I have looked at virtually every regression analysis and fleet assessment that computer technology can produce and I find them able to shed only limited light on assessing whether or not we can do the task.

Senator LEVIN. You mean the President didn't consult with you when he told the American public in a widely televised press conference that in virtually every measure of military power the Soviet Union enjoys a decided advantage?

Did you tell him that is irrelevant?

Secretary LEHMAN. Exactly, but the President's measures are not the statistical measures you are alluding to. He is talking about the realistic measures of capability.

For example, one of our aircraft carriers is numerically equal to one one of theirs except that ours is much more capable.

If you were just to stack them up the way you suggest, you would be misleading the President greatly and we don't do that.

Senator LEVIN. In how many measures did you advise the President we were ahead?

Secretary LEHMAN. We have a net assessment that takes into consideration 400 or so measures of statistical anlysis in firepower readiness, PK's of torpedoes, number of missiles, geographic boundary layers in the water, the geographic area we have to operate in, and how it changes.

You have to run it through a computer.

Senator **Levin**. Are we behind?

Secretary **Lehman**. We are behind in the overall ability to do the task against their ability to interfere with our doing the task in the time needed. We are closing the gap quickly.

Senator **Levin**. So that we are now inferior?

Secretary **Lehman**. We are not able to do the tasks in the time that would be prudent to avoid severe setbacks, given the security commitments we have to some 40 treaty relationships.

What adjective you use to describe that situation is a matter of words.

Senator **Levin**. My time is up.

Thank you, Mr. Chairman.

SEA LINES OF COMMUNICATIONS

Chairman **Tower**. I will just add something here.

I think what should be understood is that the United States and its allies are enormously dependent on the sea lines of communication.

The Soviet Union occupies a great central land mass and although I am not going to harken back to McKinley, I think that there are still some old geopolitical verities that we must still acknowledge are true today.

The fact is that all the Soviets need the sea lines of communication for are some chocolates and bananas and a little bauxite. They tend to be enormously self-sufficient.

They do not require the naval force projection capability that the United States and its allies do and the fact is they do have the capability, even out of inferior resources, if indeed they are inferior, to concentrate superior power against a particular objective such as the interdiction of a vital sea line of communications.

Is that true, Mr. Secretary?

Secretary **Lehman**. Absolutely, Senator.

Senator **Levin**. Mr. Chairman, if I could follow up on that comment, I don't mind that kind of analysis at all. It sounds to me like intelligent analysis.

What bothers me is when the people of this country are told by the President in virtually every measure of Soviet power the Soviet Union enjoys a decided advantage.

I will be darned if our own military leader knows what he is talking about. They have never measured it. They have never racked it up this way, to use the Admiral's words.

Secretary **Lehman**. They have well over three times the number of submarines. Is that a relevant measure?

Senator **Levin**. We have more major surface combatants?

Secretary **Lehman**. They have more surface combatants, over 280 to our 186.

Senator **Levin**. Major surface combatants?

Secretary **Lehman**. Major surface combatants.

Included in that figure are about 110 corvette-type or small frigate-type patrol ships. They have over 2,500 ships in their naval forces, depending on what you include. In total battle forces, by our definition, they have 1,024 ships to our 432.

If those numbers don't disturb you particularly in the area of ballistic missile submarines then it takes a great deal of complacency.

Senator Levin. We have more tonnage than they do?

Secretary Lehman. We have plenty more tonnage. With our allies we have a net advantage.

Senator Levin. Of course we do.

LAND POWER VERSUS SEA POWER

Secretary Lehman. Sure, but they are a land power and we are a sea power. We have to move 90 percent of our tonnage by sea. We had better have a lot more.

Senator Levin. I agree with that.

What does the President mean that we are behind in everything?

Secretary Lehman. We are behind in measures that result in the evaluation of whether we can do the task or not. Balances are significant. In land, air- and sea-based forces, submarine forces and other significant measures there are very large imbalances that we are setting about to redress.

Chairman Tower. Gentlemen, I think we must restore orderly procedure here.

I will reprimand myself for making the statement.

Senator Levin. I want to thank the Chair for doing it because it opened up the opportunity for me to ask another question.

Chairman Tower. I will resist the temptation next time.

SOVIET BALLISTIC MISSILE SUBMARINES

Senator Cohen. Mr. Secretary and Admiral, I have a letter addressed to me from the Chairman of the Joint Chiefs this morning. He responded to the reports that have been appearing in the press about the appearance of the new ballistic missile submarines that the Soviets have deployed off our shores as well as some of the shorter range nuclear weapons deployed in Eastern Europe.

He states that the deployments are not a significant escalation of the military threat to the United States and our allies. He cites several reasons, one of which is that they do not increase the number of Soviet submarine-launched ballistic missiles targeted against the United States.

It is simply a redeployment of the Delta-class submarines for those of the Yankee and, therefore, the threat has not been escalated or increased.

What is your reaction to that? Do you agree with that assessment?

Secretary Lehman. I would go further. I think deploying the Delta's out of their more distant operating area increases our capability to deal with them.

So, I would say that from what is obviously a politically motivated redeployment, we have actually benefited.

Senator Cohen. To the extent that reports are true that this is a response to the deployment of the Pershing and ground-launched cruise missiles, do you share the judgment of the Joint Chiefs, that this is really not a significant or substantial increase in the nature of the fleet, but rather an act of political exploitation, an attempt to intimidate the Europeans and possibly the United States?

Secretary LEHMAN. I agree.

SCOWCROFT COMMISSION REPORT

Senator COHEN. The Scowcroft Commission recommended that research begin now—that was back in April of 1983—on development of smaller ballistic missile-carrying submarines, each carrying fewer missiles than the Trident.

What is your reaction to the Scowcroft Commission report?

Admiral WATKINS. At the time the Scowcroft Commission was in session we had an opportunity to input. My recommendation was that the need to embark on a research and development program for smaller strategic submarines should be dictated by a strong indication that there may be a technological breakthrough one clear enough to warrant the expense that would be involved.

The Commission I think generally agreed with that.

They also agreed, if you will read another section of that report, that they have nothing on the horizon which would indicate that the seas in fact are getting more transparent or that we need to urgently embark on this.

We have all kinds of research and development going on in selected areas of submarine development, much of which will come together in the form of our new design nuclear attack submarine. That research and development would well serve any sort of embarkation on this kind of program well.

It is my feeling that we are in fact doing what the Scowcroft Commission recommends. We are leaving the door open with ample lead time in lead over any technological breakthroughs to permit us to go to smaller strategic submarines.

So, I am not against the concept, but I am against spending large sums of dollars to go at something that is really fencing with windmills because we don't see a breakthrough that threatens the survivability of the strategic submarine.

TRIDENT II D5 MISSILE WARHEAD

Senator COHEN. In today's Defense Weekly, there is a report that new design for the Trident II D-5 missile warhead is being developed, and the article suggests the design probably involves a maneuverable reentry vehicle.

Would you comment on that report and provide us with your views about the desirability or lack of desirability of a maneuverable reentry vehicle warhead?

Admiral WATKINS. In the development of the D-5 missile we are leaving all of our options open for the warhead. We can do whatever is necessary and we still have time to evaluate the need to go either into a maneuverable re-entry vehicle or into penetration aids.

So, in the development of the D-5 missile we are leaving that door open. We are not making that decision today because we don't have a clear enough crystal ball to determine whether or not we need to devote those kinds of moneys right now. We could pursue a variety of alternatives in the warhead as we go down toward the 1989 IOC of the D–5.

Senator **Cohen**. What is the advantage of the maneuverable warhead?

Admiral **Watkins**. Of course it is to penetrate the defenses that might be there. For example, were the Soviet Union to demonstrate that they could bring together the very significant radar systems and other systems they have now in their ABM system in a command and control network, it would indicate that perhaps we need to review, on an urgent basis the need for a maneuverable warhead.

I think we need to watch and wait and not move too rapidly into that area. That may not be the best way to expend our resources.

CARGO PREFERENCE ACT

Senator **Cohen**. We have heard from a number of sources on many occasions that the merchant marine is in trouble and recently that the Cargo Preference Act offered a way out.

I wonder what your reaction is to those reports and also what view you hold on the effect of the so-called Cargo Preference Act with regard to our merchant marine?

Secretary **Lehman**. The need for action to help the merchant marine is certainly high on the agenda. I think that the administration has done an enormous amount in the area of shipbuilding through its Navy shipbuilding program.

Also the fact is that the current 5-year plan has put more money into what heretofor would have been merchant marine hulls and into related building and conversion programs than had been put in since the end of World War II.

Cargo preference obviously brings in domestic economic considerations that are beyond my responsibility. We respond in the interagency process to the urgent need to do something to protect the industry.

One proposal that has been made to us that is interesting, but which, of course, we are not in position to take a position on is cargo preference, for instance, the kind of Ro-Ro ships that are needed to bring Japanese automobiles into the United States.

They would be very helpful in providing warships that have a direct military applicability in time of mobilization. But, it could also have the effect of raising the price of Japanese automobiles and that raises domestic implications that are beyond our responsibility.

GUIDED MISSILE DESTROYERS

Senator **Cohen**. There has been some controversy over the new destroyer that is being proposed, the *Arleigh Burke*, or DDG–51 class of guided missile destroyers.

Why does the Navy need this ship now?

Admiral **Watkins**. For a number of reasons, Senator Cohen.

The first, of course, is the fact that the DDG–2 class and DDG–37 class are reaching the end of their useful life. They will soon have 30 years. We have looked extensively at surface life extension programs for these ships and find it would not be profitable for these two classes. They simply cannot be modernized efficiently.

It is time now to get on with the next generation of guided missile destroyers of which the *Arleigh Burke* is the first in the class.

Now, this ship is a mid-range ship costwise, as you know. It is going to come in at $700 million, between the $1.1 billion CG-47 *Ticonderoga* class cruiser and $350 million FFG-7, if you put comparable prices, let us say fiscal year 1983 prices.

Those are the kinds of dollar range that I think need to be put in perspective. The lead ship is going to be $1.1 billion because you have to bring together all of the various appendages that are chalked up to the SCN account for the lead ship.

It is important that we have this ship because of the very serious threat that we face in the future that I think it has been extremely well analyzed in terms of our ability to project power.

It will have a large number of vertical-launch tubes which give it a capability to distribute offensive power at sea through the Tomahawk system, through the various ASW standoff weapons, surface-to-air missiles, and the like.

It will have an antisubmarine warfare capability, the ability to hold a Lamps helicopter, to process all the information, to do its own antisubmarine warfare work in terms of sophisticated sonar.

It will have the second generation SPY 1D radar which is like the CG-47, but downgraded in size, weight, cost, and improved in terms of reliability.

It will have the finest features in hull, mechanical and electrical that we have designed for any ship.

Senator COHEN. Will you submit the balance of your answer for the record so that I can ask one more question.

Admiral WATKINS. Yes.

[The information follows:]

To amplify my earlier comments on the SPY-1D radar, four fixed antenna arrays provide long range multiple-target detection and track on clear and hostile environments which include jamming and high clutter caused by rain, high sea states and chaff. Three MK-99 guided missile control system target illuminating radars will control the terminal engagement of the vertically launched Standard Surface-to-Air Missile (SM-2). Additional defense against anti-ship cruise missiles will also include two Phalanx close-in- weapon systems and the SLQ-32 electronic warfare system with decoy launchers.

Arleigh Burke will be powered by a propulsion system nearly identical to that installed in the CG 47 class cruiser. Four LM 2500 gas turbines and two controllable and reversible pitch screws will drive the ship at a speed in excess of 30 knots. It will also carry the Harpoon anti-ship missile, 5''/54 rapid fire gun, Seafire electro-optical fire control, guided projectiles, Phalanx close-in weapon system and torpedoes.

This primarily all steel ship will be 466 feet long and displace less than 8300 tons. *Arleigh Burke* is designed with better survivability than her predecessors, with vital areas such as the combat information center, radio rooms and magazines located deep within the hull and protected by additional armor. It incorporates the Collective Protection System, high blast over-pressure hardening and Electro-Magnetic Pulse (EMP) protection for better nuclear survivability. The ship will combine the best features of current design and newly developed systems.

Anti-submarine warfare will be conducted with the SQR-19 integrated long-range passive tactical towed array and active SQS-53C sonar system. In addition to organic ASW weapons, the ship will be able to land, launch and control the Lamps MK-III ASW helicopter.

Long range strike and anti-surface warfare capabilities are provided by vertically launched Tomahawk and canister launched Harpoon missiles. Semi-active laser guided projectiles will enhance naval gunfire support operations and close-in surface engagements.

Arleigh Burke entered Contract Design in May 1983. A draft Request for Proposal (RFP) will be issued in March 1984. The Contract Design will be completed in June 1984 and the lead ship contract will be awarded in December 1984. The construction will start in April 1986 with tentative date for commissioning in July 1989.

Senator COHEN. I was interested in Senator Levin's questions to both you and Secretary Lehman about the difficulty one encounters when you start getting into the "beam-counting" question—how many ships they have and how many do we have.

A report was recently declassified about the Soviet producing two new classes of ships earlier than our intelligence agencies had anticipated. These are the Mike and the Sierra classes of submarines.

I was wondering what is the significance of the early arrival of these two new classes? What threat does this report indicate?

Secretary LEHMAN. First, I think, it generally represents a trend that we find most disturbing across the board militarily.

That is the ability of the Soviets to foreshorten the cycle between inception and deployment of their technology, their ability to parasite on our own technology and get it into their fleet faster than we who invented it can do. In the case of the Aegis cruisers which compares to the Kirov, by some 2 years faster.

We see a new generation of submarines which incorporates U.S. signal processing, and U.S. building techniques. While they are following our train of advances, our lead is narrowing. This new generation of submarines demonstrates the narrowing of the gap.

Senator COHEN. Thank you very much. My time is up.

Thank you, Mr. Chairman.

Chairman TOWER. Senator Kennedy?

Senator, before you proceed, I have an announcement. We will recall General Kelley for an executive session this afternoon.

We are already scheduled to hear Ambassador Rowny at 2 o'clock on the strategic arms reduction negotiations. I have asked General Kelley to return at around 3 o'clock. We will go then from Ambassador Rowny to General Kelley to examine the matters that have been brought up here—quite legitimately brought up—and in which the committee has a vital interest.

Senator KENNEDY. I want to thank the Chair and General Kelley for his willingness to come back to this committee this afternoon because I am sure he understands the concerns that millions of Americans and many Members of Congress feel about the current situation of the marines in Beirut. They are bunkered in, they are hunkered down.

As I understand, and you may correct me, General, they are not performing any patrols, manning any checkpoints, or seeking out any terrorists.

U.S. MILITARY FUNCTIONS IN BEIRUT

There is serious question in the minds of many Americans about what military function they are performing on the ground that could not be performed if they were stationed at sea since the retaliatory response to date has come from the air and from the sea power.

There are reports again this morning on the front page of the newspapers about the various administration spokesmen saying that the United States is ready for more vigorous action, ready for heavy naval shelling in support of and to protect the U.S. marines bunkered in Beirut International Airport.

I welcome the willingness of General Kelley to come back and to get his military assessment of the situation.

I would certainly hope, Mr. Chairman, that even though that meeting will be a closed session that to the extent possible that the information be made available to the public in a manner consistent with preserving the security interests of the marines. There is a question in the minds of many Americans about the security of the marines and what their military function is.

I would hope after the meeting we at least have an opportunity to see what can be shared with the public, consistent with the security of the marines.

Mr. Secretary, in an earlier response you discussed the research that will be done to develop a new class of attack submarine. That is now in the budget request for research and development; is that correct?

Secretary LEHMAN. That is correct.

Senator KENNEDY. What do you expect will be the unit cost of that submarine?

Secretary LEHMAN. We have a very firm ceiling cost for the lead ship of $1.6 billion and for follow-on ships of $1 billion in 1985 constant dollars.

INADEQUACY OF U.S. SUBMARINES

Senator KENNEDY. In your earlier testimony you discussed the inadequacy in numbers of U.S. submarines. The Congressional Budget Office recently observed that some important submarine missions such as barrier patrol could be performed adequately by nonnuclear submarines. Some argue diesel electric submarines, because they are very quiet, difficult to detect when operating on battery power, would be more effective than nuclear submarines in some missions. The approximately 3-to-1 life-cycle-cost advantage of diesel electric subs over current nuclear attack subs would provide a larger submarine force and, therefore, more flexibility of more units for a given investment.

What consideration have you given to that alternative compared to the alternative you have just indicated that you will propose to the Congress?

Wouldn't we be getting a bigger bang for our buck? Wouldn't we be able to get a greater flexibility in terms of security interests?

Secretary LEHMAN. Senator, there is a continuing important role and will be for the long term for diesel electric submarines.

There are some things they do such as barrier and choke point operations that they do extremely well. But we have the advantage of having some 140-plus good diesel electric boats in our alliance navies that we will count on for those choke point areas.

What they do not have is the kind of high-mix nuclear attack submarines with the capabilities that the Soviets have in their fleet of over now 100 nuclear attack submarines for high-speed, long-range, deep, and very quiet sustained operations, and it is that that we bring to our coalition defense that the allies cannot provide.

So, yes, we could use diesel electrics, but not until after we have our force of 100 fast-attack submarines. I don't think there is a need, since our allies continue to build and buy good diesel electrics, for us to duplicate that.

Senator **Kennedy**. Could you elaborate very briefly on how that is more consistent with our strategy vis-a-vis the role of the submarines?

Secretary **Lehman**. I would like to defer to our chief submariner.

Admiral **Watkins**. Senator Kennedy, the employment of SSN's, both prior to conflict and in conflict is probably one of the most sensitive and significant parts areas of our maritime strategy. Without going into great detail, I can say it is probably the most significant part of the strategy.

The rapid surge of SSN's is absolutely key as an option for the movement of SSN's as a tool in the National Command Authority to try to deter conflict, or, if unsuccessful, to win on terms favorable to us.

Diesel submarines cannot do the necessary kinds of operations within this strategy. We can outline these for you in executive session where we can talk at a higher security level.

It is going to take a force level of about 115 SSN's before we get to the point where it will be cost effective and militarily effective to procure diesel submarines in addition to SSN's.

We must rely on our allies, who are forward deployed at the key choke points in the world, to employ these diesel subs in the role for which they were intended, primarily sea denial. We count on these allies.

We work with them daily. We know how to avoid interference. We know how to coordinate with each other. The United States plays a key coordinating role. We do feel we have a balance.

Because of the pressure to build cheaper submarines, we have again carefully reviewed our needs in submarine warfare. We have concluded, however, that unless we have a submarine force of more than 115 SSN's, adding diesel submarines would not enable us to perform our required missions.

Senator **Kennedy**. Maybe we will have an opportunity to go into that in greater detail later.

Chairman **Tower**. If you will yield at that point, these are matters that when we get into subcommittee hearings we can deal with in great detail in closed session so that the committee can be fully apprised.

NUCLEAR WARHEADS FOR SM-2

Senator **Kennedy**. On another matter the Navy indicated it is exploring the placing of nuclear warheads on the SM-2 standard missile.

Is there money in the budget for a nuclear warhead for the SM-2?

Admiral **Watkins**. There is $25.7 million in R&D only.

Senator **Kennedy**. What purpose will that serve that a conventional warhead would not serve?

Admiral **Watkins**. All of the studies that have been conducted show that if we were ever to get into a tactical nuclear exchange at sea with the Soviet Union, whose missiles are routinely equipped with nuclear warheads, that we would be at a significant disadvantage against inbound nuclear missiles were we to not have this capability.

There has always been the question, "Should this take a higher priority for the special material that would have to be put into it?" That has been a bone of contention for some time.

Senator **Kennedy**. What would be the circumstances when it would be used? Are we trying to take out their missiles? Are we trying to take out their launch areas?

Admiral **Watkins**. Primarily against the inbound missiles that would be nuclear tipped in the event the nations went that way.

Obviously it is primarily, along with the other nuclear weapons, considered to be more in the line of political deterrence so that we are not denuded from the capability to place the Soviets at risk as a counter to the way that they have to put us at risk at sea rather quickly.

This probably more than anything else drives toward the SM-2 nuclear aspect.

Senator **Kennedy**. My time is up, but I would certainly hope that the committee or the subcommittee would have an opportunity to get into this in some detail.

I thank the Chair.

Chairman **Tower**. Senator Warner?

I am going to be detained for a few minutes. I would like to yield the Chair to Senator Warner.

Senator **Warner** [presiding]. Mr. Secretary, it is a pleasure to see you again. I would like to congratulate you on the job that you and your uniformed colleagues have done in the management of the Department of the Navy in a very stressful and historic period.

Senator **Exon**. Would you say the best job that has ever been done? [Laughter.]

Secretary **Lehman**. Would you like to yield him more time? [Laughter.]

MILITARY RETIREMENT SYSTEM

Senator **Warner**. Mr. Secretary, the military retirement system is coming more and more under focus and scrutiny. Some of the private sector surveys indicate the retirement system is going to be reexamined as it should be, once again.

I hope you recognize, as I and others who have worked in this area, that the retirement system is virtually the bedrock of security that is provided for a career in the military. It is a contract that each individual officer and enlisted man makes with his Government.

I am fearful that we are beginning to shake the confidence that the people have who are looking at the military now for a career. Shake that confidence, and you might lose, that is the Department of the Navy and the country might lose, the services of some well-qualified individuals.

As we pursue these studies, what is your approach to that system?

Secretary **Lehman**. Mr. Chairman, I share your concern that even speculation has an adverse effect on our retention, particularly as it is amplified and distorted down the chain.

I believe if something ain't broke, we ought not to try to fix it.

There is, in my judgment, a very real issue across the board of COLA's in Government. It is not unique to the military by any means and I don't believe that that problem ought to be addressed only in the military context.

But I believe very strongly that the current retirement system is very different than a civilian pension in that it is, in part, continued pay for mobilization duties. We mobilized over 11,000 retirees in World War II.

Today our planning for any mobilization in a national emergency counts on the ability to recall those retirees. No civilian carries that as part of his pension.

The 20-year retirement is essential to be able to manage the force and to be able, to put it brutally, to get rid of those ratings that are overstocked in grade.

The 30-year retirement is a matter of equity. So, I don't believe that the system needs major reform.

I do think that the issue of Government-wide COLA's for social security and civil service as well as military are worthy of attention.

Senator WARNER. Then you will bear in mind there is a certain amount of personal risk that every individual in uniform assumes in the course of his duty that is not associated ordinarily with most civilians?

Secretary LEHMAN. Absolutely.

Senator WARNER. Indeed there is an element of family separation that is present in the uniform service that is not associated with the civilian.

So, it seems to me fairness should be accorded to the military in any review of this system.

Secretary LEHMAN. I fully agree.

GUARD AND RESERVE MANPOWER

Senator WARNER. Further on the manpower question, to the depth that it has been possible we have looked at your budget.

You will recall last year I and others in working to find savings within the Department of Defense's budget sort of stood our grounds with respect to adding numbers of uniformed individuals on active duty and tried to encourage the respective services to rely more and more on the Guard and Reserve.

We virtually cut in half last year the request that each of the military departments came forward with for adding persons on active duty status.

I intend to renew that effort this year, Mr. Secretary, regretfully.

I understand you have perhaps one of the highest, and the Air Force I think parallels yours in some respects, the highest request for added manpower.

Why can't we rely more on the Reserves of the U.S. Navy and the Marine Corps to fill those requirements and look to their increment as a possible cost saving in this year's defense budget?

Secretary LEHMAN. Mr. Chairman, I think that your initiative last year had a very helpful effect. As a result of that, we undertook a major renewed look at roles that could be transitioned to the Reserves.

We felt a little harm was done last year in what we think is the most significant change ever made in the Naval Reserves, moving to horizontal integration. We are putting modern frigates into the Reserves. 24 by fiscal year 1987 as well as the first 8 MCM's and all 17 MSH's.

We are dropping an active duty air wing and assigning the two Reserve air wings to the active duty fleet for immediate mobilization, very situation significant.

The Chief of Naval Operations and Commandant have undertaken a whole new mix study. As a result, new initiatives are now underway again.

In fact, I can announce today a major new acceleration of the tactical air modernization of the Reserves, an acceleration of several years. Additionally, we are going to stand up an F–14 squadron this year.

We are going to accelerate, by 2 to 3 years, the transitioning of two older light attack squadrons to A–7E's and this year, we are standing up the first F/A 18 Reserve squadron.

The Marine Reserves have already stood up their first A–4M squadron completely compatible with the active duty squadrons. A lot is going on.

I would ask you to bear in mind and the committee to take very seriously the fact that we are adding 32 ships this year, and those ships have to be manned.

We are growing the fleet to 600 ships, ships that have to deploy 6 months out of every 18. We are innovatively using the Reserves to augment even those deployed ships such as the *New Jersey*.

Today the Reservists are making it possible to rotate the entire crew of the *New Jersey* home on 3-week leave. Drilling Reservists are going on active duty tours out there while the *New Jersey* remains on station.

That is the kind of heads-up application of the quality and the assets we have in the Reserves that was your intention.

But we simply cannot plan to use the Reserves for the forward-deployed ships and forward-deployed fleet Marine force that have to stay 6 months in the Indian Ocean or eastern Mediterranean. The very nature of at sea deployment means that land-based services have more flexibility in the use of the Reserves than we do.

Senator **WARNER**. We have this deficit; 43 to 50 percent of the moneys in this budget are for personnel and personnel-related costs.

If you want to maintain, as I do, the high priority in the defense budget for modernization, the progress made to date and the benefits in pay for those wearing the uniform as of now, something has to give.

Secretary **LEHMAN**. But take care, Mr. Chairman, that cuts now are not directed to those areas like our shore establishment where we were forced to take them last year.

CHAMPUS

Part of our major increase this year is in military medical personnel. We are paying too much for CHAMPUS today because we have insufficient manning of our medical shore establishment. We need more doctors, nurses, and hospital corpsmen.

As you know, CHAMPUS has exploded in expenditures because of that shortage. We need to bring the cost of CHAMPUS down by increasing the number of medical personnel.

There are many other instances where we simply must have more end strength. It would be false economy to take that short-term cut now. We will pay for it through the nose later.

VERSATILITY OF A–6 AIRCRAFT

Senator **Warner**. Admiral Watkins mentioned the versatility of the A–6 aircraft in connection with your operations. Regarding the present budget, I notice six units in 1985, but no long-lead money for continued production in 1986.

I understand at the present time there is a shortfall in inventory of the A–6. Yet according to notes here the A–6 has been mentioned several times in this hearing.

What is your projected program for that particular aircraft?

Secretary **Lehman**. We have just completed a new force mix study as to the mix of tactical aircraft for our carriers and secondarily, the Fleet Marine Force.

We have now found that there is a higher requirement for A–6's than was the case when we prepared this budget. We are looking at and discussing ways to correct that disparity probably later on with a budget amendment.

We believe there is a larger need now for the A–6 than before in the force structure and that we need to get on with modernizing the A–6 with the A–6 upgrade program which is a very cost-effective and innovative program.

Senator **Warner**. Does the uniformed Navy and the Secretary of Defense concur in your observation?

Admiral **Watkins**. Yes, sir, we do.

Senator **Warner**. My last question, Mr. Secretary.

When Senator Tower and I visited the marines, General Kelley and the fleet units offshore in Beirut, we used Cyprus as our jump-off point for the visit to the fleet marines and indeed to visit with President Gemayel and the Lebanese Government.

GREEK CYPRIOT GOVERNMENT

I was greatly impressed with the cooperation that the Greek Cypriots are providing the operations of the United States in that region.

Would you care to comment on the cooperation that you have had from the Greek Cypriot Government and what you are trying to do to help resolve that problem?

Secretary **Lehman**. The Greek Cypriot Government has been extremely helpful to us. The enthusiasm with which I would describe that help is tempered only by the wish not to cause them any difficulties with some of their neighbors.

They have been very forthcoming and helpful to us and the Navy Department is most grateful indeed for their efforts.

Senator **Warner**. As a matter of fact, you would be operating under extraordinary hardships if you didn't have the facilities there?

Secretary **Lehman**. Absolutely. It would increase the dangers to the marines ashore significantly.

Senator **Warner**. That is the important point.

Thank you, Mr. Chairman.

Chairman **Tower**. Senator Exon?

Senator **Exon**. Thank you.

Welcome, gentlemen. I am glad you are here. I am pleased to note that General Kelley is coming back in executive session. I will not pursue any questions in that area.

General Kelley, I would ask at this time that you be prepared, if you could, to brief us on the report that is out that we are beginning to or have evacuated some so-called nonessential personnel from the American Embassy. We won't go into that now. We can handle that in closed session.

Mr. Secretary, as far as you and the Admiral are concerned, I have two questions.

I appreciate very much the fine comments you made about manpower, working in cooperation with the Department of Defense and this committee. I think we have done some great things in that area.

AVIATION OFFICERS CONTINUING PAY

I think you have outlined those pretty well today in your opening statement. I have one question, though, that we have talked about on frequent occasions. I supported you on this one time, when I was not about to, because of a personal appeal you made to me and that is in regard to the aviation officers' continuing pay.

I am wondering if that might be some place where we might be able to save a little money in this budget?

We are going to have to save some money, but I am not going to get into that in depth now because I generally find, at least in dealing with you, I can generally get more information out of you in closed session than I can in open session, since you are all marching to the order to say if a single penny is cut, we are imperiling national defense.

Getting back to the aviation officers' continuing pay, we established that program to keep aviators who have 6 to 11 years in the service.

According to an article in the February 6 Navy Times that I assume you have seen, it was indicated that the intent of the Congress was simply not being followed. They cited that there were 61 pilots and 538 flight officers in surplus in the Marines at the present time.

Yet sometime last month you went ahead and reinstated the Marines into this aviation officers' continuation program.

The same article indicated that a nonidentified marine said that this simply wasn't necessary as far as the Marine Corps was concerned. They did not have the shortage that the Navy was having.

I am wondering whether you think that article was accurate and why is it necessary to use that particular program for just paying the marines more?

I have great respect for the marines and I think they don't get enough to compensate them for what they do for this Nation. If we are simply giving them more money under a program that was designed for retention, then I would suggest that the intent of the Congress was not being followed.

Secretary **LEHMAN**. Senator, first of all, the aviation bonus has been one of the most successful pay initiatives we have ever undertaken in the Navy Department. It has fixed the problem, an expensive problem, faster than almost any other tool that we have had at our disposal.

Part of the difficulty I have had in maintaining support for that program is that the largest benefits are not measurable by the systems analysts.

The Navy and Marine Corps completed their third record safe year. In my judgment the reason for that is, primarily and foremost, the fact that now squadrons have three times the number of lieutenant commanders and commanders, second and third tour aviators. They provide a much more experienced mix in the operating force.

Senator **Exon**. So the program has been a success?

Secretary **Lehman**. It has been a tremendous success. So, if it ain't broke, why tamper with it? The cost is only $27 million overall.

Senator **Exon**. Would you say that again, please?

Secretary **Lehman**. I said if it is working——

Senator **Exon**. That figure, it is only $27 million?

Secretary **Lehman**. Only $27 million and one crashed airplane costs that if it is an F-14. All you have to do is avoid crashing one airplane by that heavier application of experience and you have paid for the whole program.

We have congressional guidance to look at adjusting it to where the shortages are and we are doing that but, the fact remains that in every aviation category that deploys on gray hulls we have shortages. In the medium attack community we have a shortage of about 130.

MARINE MANPOWER SHORTAGE

Senator **Exon**. Do you have shortages in marines?

Secretary **Lehman**. Yes, sir; in those marines that have to deploy aboard ships, away from their families 6 months at a time, we have severe shortages. They are being corrected, but they are there. Only if you pool everybody that wears wings together, throw them into a pile and count them up against all the billets do you have sufficient numbers.

Senator **Exon**. Then you come up with a figure that was cited in the article?

Secretary **Lehman**. That is right.

Senator **Exon**. That doesn't reflect what you are saying we are doing out there in operations?

Secretary **Lehman**. That is right.

Senator **Exon**. Do you concur with that, General Kelley?

General **Kelley**. Yes; I do.

Senator **Exon**. One last question.

NUCLEAR DETERRENT

I remain very much concerned about our nuclear deterrent from the standpoint of how we communicate with submarines that are submerged. We are continuing to have difficulties, I guess, now with the court case on the ELF program.

Can you bring us up to date as best you can in open session on that? Are the problems only right now in satisfying some court cases?

Have we generally licked the technical problems?

Secretary **Lehman**. Yes; we have been very pleased with the success that just the R&D facility at Clam Lake has had in communications. The program really does work and it works well.

The injunction that has been passed down is very frustrating to us. We are now seeking to get it set aside on national security grounds.

It seems to us to be a real intrusion to have a lower court tell the Navy that it cannot put receivers on its submarines when it is such a crucial national security program.

If we don't get injunctive relief, then we will have to attempt to file a new environmental impact statement. The program will probably be delayed a year, at increased cost and more delay. It is frustrating.

ELF

Senator **Exon**. It is not only frustrating, you know, we are spending an awful lot of money for programs that we think we need immediately for deterrence. Here certainly I would think the Navy would agree that communicating to submerged submarines is a critically important part of deterrence.

Admiral, are you satisfied that we have licked all the technical problems? Is there no question in your mind that ELF will work if we can get the courts out of the way?

Admiral **Watkins**. We have already tested ELF at sea. All receivers have worked beautifully. We had it on the U.S.S. *Ohio* SSBN on its first deployment. It is the system that we need desperately to insure the maximum alert potential, not only of the SSBN force, but also the SSN force since Tomahawk nuclear tipped missiles enter the fleet this summer.

It is vital to us. We thought we were over the problem areas with ELF. We have gone over all the court circuitry for the first 15 years with the bulls that allegedly couldn't get pregnant, one thing or another. We have done all that.

We have demonstrated time and time again that there is no negative impact on the environment and yet it comes out again in continuing court cases.

I hope that we can put this one to rest for the final time and get on with the construction. We don't know exactly what new information the court has found to open up the environmental impact study issue again, but I believe now we can get on with this within the next month and we can defeat this injunction we have against us which is a tiresome sort of thing we have been going through year after year in that area.

Senator **Exon**. Did I understand you to say we had a problem with the bull that didn't get pregnant years ago when they sent up a bull from the great State of Texas?

Admiral **Watkins**. They had it wander about in this electromagnetic environment to determine whether the bull would become sterilized.

Senator **Exon**. Not pregnant, but sterilized.

Admiral **Watkins**. Sterilized, I am sorry.

Senator **Exon**. There is a difference. [Laughter.]

Admiral **Watkins**. The bull was kept at Wisconsin test facility for about 15 months: however, it was not a controlled experiment consistent with acceptable medical research. In October 1980, the bull was killed because it was costly to continue keeping him; an autopsy found that he was in good health.

Chairman **Tower**. Senator, that intelligence should have been communicated in the executive session.

Senator **Exon**. I am fully aware of that problem in Texas. [Laughter.]

Senator **Exon**. Just one last serious question.

Let us assume this afternoon the court problem is cleared.

How long would it take us to become fully operable with ELF on the major part of our system?

Admiral **Watkins**. Next year.

Senator **Exon**. Thank you very much.

Thank you, Mr. Chairman.

Chairman **Tower**. Senator Jepsen?

Senator **Jepsen**. Thank you, Mr. Chairman.

AEGIS SYSTEM

Mr. Secretary, there have been a number of press reports regarding the Aegis system operational tests conducted with the U.S.S. *Ticonderoga* in April and in September of last year.

According to the story in this morning's New York Times in April 1983 the Aegis system managed to hit on 4 out of 15 targets; in September only 2 out of 6.

Now, this result appears to be at variance with your recent claim in a letter to Representative Denny Smith and I quote:

> Extensive operational testing has continued since the mission and all operational requirements have been met or exceeded.

Mr. Secretary, I think we need to make some decisions concerning this program and we need a clear resolution of the facts surrounding the operational evaluation results.

Would you furnish me and the appropriate staff members on the committee the results of the OPEVAL for April and September?

I would also like to see a definition of the operational requirements of the Aegis system and how the operational testing program is constructed to verify the capability of the system to meet the requirements.

Secretary **Lehman**. I will be happy to provide an extensive response for the record.

This is undoubtedly the most tested system we have ever had in the Navy. It has been under development now for 20 years.

It is an excellent system. It has an entirely new step function in providing AAW coverage against aircraft and missiles. It was designed as an area weapon, not as a point defense weapon, but to provide the capability to shoot down airplanes and to battle manage high rate surge attacks.

We are training, in effect, the first operational crew on the *Ticonderoga*. The record so far is 36 successes against missile targets and 19 failures. Every failure has a long explanation which I will provide for the record.

For instance, in three out of the six shots in the final OPEVAL that you referred to, the system had been misalined. The system told the crew it was misalined and the crew made an error and turned off the warning light. They disregarded what the system was telling them.

That is a crew training problem. We are sorting out this very complex team of men that are equipped with the latest technology to do the highest stress kind of anti-missile job that has ever been asked a system.

It is already exceeding the capability of any system we have ever deployed. It is in the Eastern Mediterranean now providing unbelievably effective area control and coverage.

There are still bugs in the system, software bugs in a system that has 20 computers, talking to one another. We are working these bugs out. Every change we make is a change that will be replicated in every one of the remaining 27 ships of the class. So, we have to do it with great care.

I have to register extreme frustration at the cheap shot manipulation of this kind of data by some—certainly not you, these are legitimate questions—but by some people in the press and in Congress who make it even more difficult to test by adding more layers of unaccountable bureaucracy by passing legislation such as that passed last year.

We have in the OPEVAL group the most honest "tell it like it is" test group in the world. Every time we try to find and look at the problems and include them in a report, we end up getting castigated for it. I think that is abuse of the system.

All of the testing is there for everyone to see and we do it because we need to see that problems identified by us are corrected and we are doing it.

For people to grandstand like Senator Grassley on this issue just makes a strong defense harder to achieve. It is infinitely frustrating to everybody trying to do a job in the Navy Department.

AEGIS COSTS

Senator **Jepsen**. Mr. Secretary, how much money is being proposed to purchase these Aegis?

Secretary **Lehman**. They are running right now $1.1 billion for the complete, full-up ship.

Senator **Jepsen**. You have 27 of them proposed?

Secretary **Lehman**. Twenty-eight in the program.

Senator **Jepsen**. Thank you.

Mr. Secretary, Admiral Watkins and General Kelley. one of the things that the Manpower and Personnel Subcommittee has attempted to do for the past 3 years is to improve the quality of life of our sailors, soldiers, airmen, and marines.

We have done that by increasing housing allowances, improving travel entitlements and by increasing and targeting basic pay levels. We have targeted those resources in the areas where they are needed the most and in which both the long-term and short-term payoffs are the greatest.

Has the Navy or Marine Corps experienced any demonstrable effects as a result of last year's authorization bill not elevating the basic pay level of recruits?

Admiral Watkins. No, sir, we have not.

General **Kelley**. No, we have not.

Senator **Jepsen**. Second, although authorization has been provided for 3 years to reimburse members for some of their temporary lodging expenses when they make a permanent change of station move, the services have been unable to pay these expenses because of funding limitations.

If this committee were to continue to authorize this allowance, would the Department of the Navy fund and pay it in fiscal year 1985?

Secretary **Lehman**. It is really a question of the O&M cuts that we end up with at the end of the year and allocating priorities.

We would certainly pay it if sufficient funds were available without creating worse problems in both personnel or readiness.

Senator **Jepsen**. Finally, does the Department of the Navy believe that any new allowance or benefit should be authorized for your personnel in 1985?

Secretary **Lehman**. There is the quadrennial review package that will be coming over from the Department of Defense. It does include some new initiatives.

One in particular that we are interested in, is paying BAQ to sailors assigned to ships in overhaul out of their home ports.

There are a number of other initiatives in the QRMC that have our support, but our strongest support is for continuation of the successes of sea pay and the selective reenlistment bonus, nuclear bonus, aviator bonus and special pay.

Senator **Jepsen**. Mr. Secretary, respectfully in reflecting on your comments, I must say that in defense of my colleague, Senator Grassley, I understand this question has been primarily raised by Dennis Smith from the House, but with respect to my colleague, Senator Grassley, whom I have known for many years, I would say to you that he is a straight from the shoulder sort of person who digs and digs hard, he has great persistence, his credibility is unquestionable.

I do believe, however, it may come off, that he in his sincere purpose is doing what he believes to be the best for both the taxpayers and the country.

He has always performed that way and I know nothing to change that and I know him very well. I just wanted to make that a matter of record.

Thank you.

Chairman **Tower**. Senator Bingaman?

Senator **Bingaman**. Thank you, Mr. Chairman.

General Kelley, you testified as to the amphibious operations the Marines held in Central America this last fall.

AMPHIBIOUS OPERATIONS IN CENTRAL AMERICA

Can you for the Marine Corps and then perhaps Admiral Watkins for the Navy tell me what the extent of your involvement is going to be in this next set of exercises that has been reported, the Granandero military exercise which is coming up this summer in Honduras?

General **Kelley**. We have not come to grips with that problem. After the Ahuas Tara II exercise the amphibious unit that made the landing on the north coast of Honduras remained ashore for training exercises.

Senator **Bingaman**. Do you have the level of involvement of the Navy?

Admiral **Watkins**. Yes, sir, I do because we are going to accommodate the ship time that is going to be desired by the Southern Commander within the normal operating schedule.

Instead of operating in the Eastern Caribbean as we normally would in training exercises, we would move on south. I don't see it as taking away from the additional planned operational tempo. I know it will not.

We will take advantage of ships to work in that region for training anyway and reorient them for training off the Honduran coast as we are doing now.

Senator BINGAMAN. Mr. Secretary, I was down there in Honduras this December. There was a lot of discussion by various people in the Honduras Government and other places about the possibility of a U.S. naval base on the eastern coast of Honduras.

Is that something that you support or that we are likely to see a request for from you?

Secretary LEHMAN. No; we have no intention of building a U.S. base down there.

There is a facility at Puerto Castilla right now, a commercial port that has been there for some time. The Honduran Navy is very interested in getting our assistance in developing it. In return, we would get to use the area as a training area in our fleet workup. That does have attraction for us.

There is no consideration of the creation of a U.S. base down there.

600-SHIP NAVY

Senator BINGAMAN. Let me ask you, Mr. Secretary and Admiral Watkins, about the 600-ship Navy. A couple of things caught my attention.

Mr. Secretary, I think your earlier statement in your direct statement to this committee was that the 600-ship Navy is now accomplished. I think that is an exact quote.

Then in figure 6 of Admiral Watkins testimony on pages between 77 and 78 there is a graph showing us building up somewhere around a 640-ship Navy in 1992 as I read that graph.

I was wondering, I had thought the 600-ship Navy was sort of a plateau that we were working toward and that we would not see additional requests for ships except in replacement.

I gather from this graph that it is more like a way station than a plateau. Is that accurate?

Secretary LEHMAN. No. that is not accurate.

What you see is the result of what is called the 5-year extended annex which is not really a programing exercise. The objective of the administration remains a plateau of about 600 ships.

It will fluctuate depending on retirements around that number for the long term but, there is no intention to build a force beyond that 600-ship level.

Senator BINGAMAN. By saying that a 600-ship Navy is now accomplished, does that mean you will not be asking us to approve any new starts, any new authorizations for ships after this fiscal year?

Secretary LEHMAN. No. What it means is that the new starts like the *Burke* class detroyer are not going to add force structure. They will replace, one for one, ships that are part of the 600-ship Navy.

For instance, the *Burke* will replace the DDG–2 class and the DDG–37 class one for one as they reach 30 years of age.

Senator BINGAMAN. You will be taking those ships out of the force?

Secretary LEHMAN. That is right.

ANTISATELLITE WEAPONS

Senator **Bingaman**. Let me ask about efforts going forward with antisatellite weapons. I gather in the testimony you gave us that you have said, Mr. Secretary, nearly 85 percent of all operational satellite system outputs provided to the Armed Forces are principally for Navy use.

In light of that, do you have some concern about the lack of effort toward some kind of antisatellite weapon agreement to restrict the development of those weapons?

That is a concern many of us here in the Congress have.

Secretary **Lehman**. I share the concern that the Soviets, so far, have shown no willingness to stop the development and deployment of their antisatellite system which they have successfully tested in space.

I must say, we are hardly giving them an incentive to negotiate arms control with unilateral restrictions on U.S. testing such as was passed by Congress last year.

From any experience in the Arms Control Agency, that is the surest way to preclude an agreement that I know of.

Senator **Bingaman**. You are persuaded we are doing all we can to achieve an agreement that is necessary, initiatives have been made by the administration to try to achieve an agreement to control antisatellite weapons?

Secretary **Lehman**. Yes, I believe that those efforts are very active and sincere. It is an area that I think would be productive for arms control talks, but will require some very intrusive verification of the kind that this administration has, I believe, been leading the development of.

NAVY AIRCRAFT PROCUREMENT PLAN

Senator **Bingaman**. Let me ask, admiral, if you would just comment. I notice the last graph attached to your testimony has the Navy 5-year aircraft procurement plan.

Once again this year we are seeing requests to have small levels of production for a great many different aircraft. Specifically, I think there are 16 aircraft there that you want to continue in production and a great many of those we are just building a few at a fairly large per unit cost.

Wouldn't you agree by continuing with 16 production lines, we are getting much less in the way of aircraft capability than we could if we were able to reduce the number of production lines and increase the number of units?

Admiral **Watkins**. I think you will find we can lay this out in a different format and show we are cutting down the number of lines over the long haul.

By the year 2000 we are narrowing down the number of aircraft we can have doing a variety of things. We are moving now on the JVX program, for USMC assault lift, Navy combat SAR and Navy special warfare support that a single platform to make all of these missions in the future come under one basic airframe concept.

We are doing the same thing now with the Army Blackhawk equivalent called the Seahawk, SH-60B.

We are studying hard to determine whether a SH-60 derivative is not the best solution to our dipping sonar problem in the fleet and could also provide a search and rescue capability.

The tendency is to bring down the numbers of these lines and take advantage of technology so that we don't have the same kind of diversity in numbers of airframes.

On the other hand, everything you see in that line there, of course, is fiscally constrained. We would like in many cases to buy more of the aircraft that we could use—certainly we have the requirement—and we could buy out some lines perhaps a little earlier.

These take big dollars up front. We have been very successful in raising the number purchased to 291 when you consider only a few years ago we were buying only the number of aircraft equal to our losses.

So, we have been able to do this within the fiscal constraints. We think this is a proper budget, recognizing we can't have everything we would like in terms of the multiyear procurement concept and the like, and it is balanced to the extent we think we can drive those unit costs down to a bare minimum and make those kinds of numbers acceptable.

Senator **Bingaman**. That is all I have, Mr. Chairman.

Thank you.

Chairman **Tower**. Senator Wilson?

Senator **Wilson**. Thank you, Mr. Chairman.

BATTLESHIP REACTIVATION

Secretary Lehman, I note with pleasure that the 1985 submission contains funding for reactivation of a third battleship, the *Missouri*, at the Long Beach Navy Yard.

I am going to ask of you, and I will put it in writing as a formal request, to reprogram a portion of that 1985 funding into fiscal year 1984 in order to accelerate the starting date on that work.

I am advised that by accelerating it from fall to spring we can avoid laying off hundreds of workers and incurring a needless risk of losing some critical skills.

In fact, I am told that we would thereby also incur virtually certain cost increases because of the different rates. I am told that the reactivation man-days expended in 1984 would be approximately one-third of the rate planned for fiscal year 1985.

It just seems commonsense if we don't have to lay off these people by removing it in 1985 and having a more consistent level of activity that we will save time and money as well as considerable inconvenience.

I am being deluged by both Navy and also civilian correspondents from the Long Beach area and from other parts of California for that matter.

Secretary **Lehman**. Senator, our staff has scrubbed the figures that you provided us in the initiative to accelerate the *Missouri* and we find that you are indeed right. We can in fact save money by accelerating the *Missouri*. So, in light of the operational requirements that we have right now to keep a battleship forward deployed and the growing requirements that the fleet commanders will have for its deterrent capability, it makes good operating sense to do so.

We would support that initiative. We think it would save money as well as avoid the instability of layoffs in the RIF that is now planned for Long Beach. The RIF could be avoided if we accelerate the *Missouri*.

Senator WILSON. I am delighted to hear that.

You had anticipated one of my questions in your opening statement which was simply to determine what the Navy's share of the defense budget has been, whether there has been an increase or decrease.

I didn't hear the figure. You used a percentage, I think.

Secretary LEHMAN. It has declined steadily since 1977 and continues to do so this year. It is currently 31.7 percent of the defense budget.

SEALIFT/AIRLIFT CAPABILITY

Senator WILSON. With respect to sealift and airlift capability, we have had testimony in prior posture hearings, notably by General Wickham testifying on behalf of the Army, that there was a distinct concern on his part with what he termed an airlift and sealift shortfall.

General Kelley, do the Marines share that concern and is it your opinion that the recommendations in the airlift master plan, if implemented, will address the shortfall that General Wickham is concerned about?

General KELLEY. I think we will never have enough airlift and sealift to do all the jobs that need to be done concurrently.

We are on a very ambitious program. The Navy is on an extremely ambitious program for improving the sealift. I think it is well within reason and certainly within the fiscal constraints.

I include in that the SL-7 program, Ready Reserve Fleet and also the maritime pre-positioning ship concept.

I do believe the Air Force is making progress in their airlift modernization program. Improvements, as represented in the KC-10 tankers, the reskinning and reengining of the other tanker fleet, the KC-135's, the new C-5's, the improvements that we have had in the C-141, upgrade to C-141B, and looking forward to the C-17 are certainly indicative of a reasonable and responsible program.

Senator WILSON. Am I correctly informed that the Joint Chiefs have signed a letter urging that the C-17 production be undertaken?

Admiral WATKINS. Senator, I am not certain that a letter has been signed, but I can assure you that the Chiefs unanimously support the wide body intra-theater lift aircraft. It is an urgent requirement. We are in study right now to insure we have a balance and that the equipment and materiel is not just stacked on the beach and not moved forward.

We don't want to outrun the resources in one area to the detriment of another. We are at that point right now and are about to come to grips with the intra-theater airlift which shows the C-17, by all the presentations we have given to the Joint Chiefs, is the way to go.

Senator WILSON. Mr. Chairman. I am pleased to hear that from Admiral Watkins and from General Kelley.

There are some, apparently, who are concerned that my persistence on this matter reflects some criticism of the C-5. It doesn't.

I think their enthusiasm for the Air Force master plan reflects no criticism of the C-5. The Air Force is very happy with the C-5, quite understandably. It is a superb airplane, but I think it has limitations of the kind that Admiral Watkins just touched on that has to do with its intratheater capacity.

So, I am pleased to hear that kind of unqualified recommendation from Admiral Watkins and General Kelley.

I gather that is unanimous with the Chiefs?

Admiral **Watkins**. Yes, sir; it is.

WEST COAST SHIPBUILDING

Senator **Wilson**. Secretary Lehman, with respect to the concern that I have had and I know you share that we maintain industrial capacity and particularly the kind of capacity that would be required to assure our capability to project force, both in the Western Pacific and Indian Ocean and the Persian Gulf area from that direction, what may we look forward to with respect to west coast shipbuilding?

Secretary **Lehman**. On the one hand we are planning to have three yards producing the *Burke* class destroyer.

As you know, there is one west coast yard today that is participating in the design. We have changed the policy in recent years to have no more than a third of our overhauls in home ports so that there will be coastwide bidding on the other two-thirds of the overhauls to allow all west coast shipbuilders to bid on that essential repair work.

Similarly, there will be opportunity to bid on future MISF and support as well as combatant shipping for the west coast yards.

So, there will be continued opportunity for the industrial base out there to compete, but they have to continue the positive trend they have had in becoming more competitive with some of the other coast yards.

Senator **Wilson**. Thank you.

Thank you, Mr. Chairman.

Chairman **Tower**. Mr. Secretary, let me ask one last question. I don't think it has been covered.

F-14 REENGINING

What are your plans for reengining the F-14?

Secretary **Lehman**. Mr. Chairman, we testified to you last year that it was our intention to reengine the F-14 and to upgrade the avionics. We said that we would participate in the Air Force competition and follow their selection.

In other words, yesterday we made the decision to put the General Electric F-110 engine into the F-14 and we have begun negotiating now to put into contract form the price options that were included in the Air Force proposal.

We will continue to participate with the Air Force to gain all of the competitive benefits that they have achieved in its General Electric contract.

We are looking for a 1988 IOC for that reengined F-14.

Chairman **Tower**. Gentlemen, thank you very much.

General Kelley, we will see you later this afternoon in the committee chambers.

It has been enormously useful testimony. We will be asking some of you to come back when we get into the subcommittee hearings immediately prior to our markup. So, any cooperation you can provide us will be appreciated.

Thank you very much.

The hearing is adjourned.

[The questions submitted by the Senators of the Senate Armed Services Committee with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

NAVY RESERVE F/A-18

Senator **THURMOND.** Mr. Secretary, Admiral Watkins, General Kelley, it is a pleasure to have you here today.

I would like to note that despite many public comments to the contrary, those young men in Lebanon are performing a vital role. It is very sad, however, that the situation has deteriorated to its present state.

I hope, as we all do, to get them home soon.

Admiral Watkins and General Kelley, you are to be commended for the splendid job your forces did in Grenada.

Those marines, sailors and Army paratroopers did more for human rights and freedom in a few days than the previous administration did in 4 years, despite all of its rhetoric about human rights.

Mr. Secretary, last year's budget request contained a provision that would equip the Navy Reserve with the F/A-18. Congress denied that request. Do you support equipping the Navy and Marine Corps Reserve with modern equipment? What is the status of that request?

Secretary **LEHMAN.** Yes. The role that the Reserve Carrier Air Wings must play in order for the Navy to execute the maritime strategy vital to our national objectives demands these air wings be configured with modern tactical aircraft. No longer is it acceptable to outfit our Reserve Air Wings with aircraft that have become excess to the active forces. We must horizontally integrate modern aircraft into the Naval Reserve.

Senator **THURMOND.** Would you support a provision to equip the Reserves with the F/A-18 this year?

Secretary **LEHMAN.** We are committed more than ever to modernize the Reserve Carrier Air Wings. VFA-303 at NAS Lemoore, Calif., has begun operating the F/A-18 aircraft. To ensure proper phasing of our F/A-18 force with deploying carriers and to expedite the integration of this multi-mission capable strike fighter into the Reserve Force, VFA-303 will initially train and operate in VFA-125 aircraft until receiving their own in 1986. The second Reserve F/A-18 squadron will be established in 1986. If Congress didn't continue to cut our budget requests we would be able to speed this much overdue modernization.

PRODUCTION LINES

Senator **THURMOND.** Mr. Secretary, the Navy buys planes in small quantities from numerous production lines which increases costs. You have testified before that you will terminate some on these lines. When will this begin?

Secretary **LEHMAN.** Aircraft procurement plans are a compromise between force requirements and affordability. Production rates are increased whenever possible and production lines subsequently closed. Sixteen procurement lines in fiscal year 1985 are necessary to satisfy force level expansion, eliminate short term deficiencies and achieve modernization. The Five Year Defense Plan shows 14 procurement lines in fiscal year 1986, 12 lines in fiscal year 1987 and 11 lines in fiscal year 1989. If Congress didn't continue to cut our budget requests we could save the taxpayers much money in unit cost savings through more efficient production rates.

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

RULES OF ENGAGEMENT

Senator **NUNN.** You mention in your statement on page 22 that "deployed Naval forces are now operating under a new set of engagement guidelines that establish a pro-active posture designed to prevent potential terrorists from completing a successful attack."

Would you describe this posture as "shoot first—ask questions later" or just what does it mean?

Admiral **Watkins**. I would not describe our defensive posture at sea as "shoot first—ask questions later". Such a description does not reflect our concern for innocent parties or efforts to insure our compliance with international law. Our defensive posture has two parts. The first part consists of warning our commanders of the significance of terrorist threats at sea and directing their increased vigilance and suspicions toward all traffic in close proximity to U.S. forces. Potentially threatening traffic closing U.S. forces will be warned to stay clear. [Deleted.]

The second part of our posture is to use traditional and internationally recognized methods to warn our friends (and enemies) that threats of terrorism have forced us to be more sensitive than in the past to the actions of air, surface, and subsurface activity near our forces. In the Persian Gulf region as well as an area off Lebanon, the U.S. has issued international Notices to Airmen (Notam's) and Mariners (a Hydropac and a Hydrolant). The Notam's state that, in the applicable areas, U.S. naval forces are taking additional defensive precautions against terrorist threats. All aircraft not cleared for approach/departure to or from a regional airport are requested to avoid approaching U.S. naval units closer than 5 nautical miles at altitudes less than 2,000 feet. Aircrews inside these distances who do not maintain radio contact with our forces and/or whose intentions are unclear may be held at risk by U.S. defensive measures.

The Hydrolant and Hydropac state that, in the applicable areas, all surface and subsurface craft are requested to avoid closing U.S. forces closer than 5 nautical miles. Craft approaching closer than 5 nautical miles to U.S. are requested to maintain radio contact on internationally recognized frequencies. Surface and subsurface craft not maintaining communications contact and/or whose intentions are unclear may be held at risk by U.S. defensive measures. In addition to warning friends and enemies such measures as these reduce the traffic which must be tracked and evaluated around our ships.

MARITIME SUPERIORITY

Senator **Nunn**. Is our Navy capable of meeting the demands of Secretary Weinberger's reaffirmation that:

"Our long-term goal is to be able to meet the demands of a worldwide war, including concurrent reinforcement of Europe, deployments to Southwest Asia and the Pacific and to support other areas. Given the Soviet capability to launch simultaneous attacks in Southwest Asia, NATO, and the Pacific, our long-range goal is to be capable of defending all theaters simultaneously.

Admiral Watkins, can our Navy now or when in the future will it be able to carry out the strategy expressed by Secretary Weinberger?

Admiral **Watkins**. During the past three decades, the Soviet Navy has grown in size and capability while gradually expanding its maritime mission from coastal defense and protection of European flanks to more open-ocean tasks. The size of the U.S. Navy, on the other hand, decreased in both numbers of ships (50 percent) and overall tonnage (20 percent) from the late 1960's to the late 1970's, although the maritime threat continued to grow. Only recently has the United States taken major steps to halt this decline and reestablish maritime strength adequate to its assigned tasks. Consistent with the U.S. strategy of forward defense and the requirement to reinforce NATO, the Navy maintains forces today that are capable of seeking out and destroying enemy naval forces, maintaining local air and sea control, projecting forces ashore, supporting ground forces, and transporting forces and supplies.

The warfighting capability of the U.S. fleet is improving; however, the worldwide commitments of the U.S. Navy have also expanded. Consequently, all tasks cannot be accomplished simultaneously without considerable risk. Thus, our current maritime strategy emphasizes maximum use of the other services and our allies in coalition warfare. We know that any major conflict will involve our allies and recognize the importance of their contributions. In particular, allied capabilities in mine warfare, air defense, barrier submarine operations, maritime patrol, and associated infrastructure are important elements in maintaining maritime superiority. The other services, particularly the U.S. Air Force, add significantly to our capability with command and control, early warning, air defense, mining, and logistics assets. This coalition clearly enhances our ability to execute our forward maritime strategy.

Our forward maritime strategy demands more than the U.S. Navy forces at hand for a reasonable assurance of success. The JCS recommended "Planning Force"—required to execute our strategy with a reasonable assurance of success—is significantly greater than the current Navy force. The difference between the Navy "Planning Force" and the Navy current force is a discrete measure of our strategy-force mismatch. As we continue to build toward a balanced fleet of 600 ships and 15 carrier battlegroups, coalition warfare and maximum use of force multipliers will permit us to significantly reduce the risk associated with simultaneous execution of our maritime strategy of full forward pressure in all theaters.

Today, our Navy is prepared to make major contributions to the successful outcome of any conflict. With the support of Congress, the U.S. Navy will continue to build and maintain a balanced fleet that will remain capable of countering the growing worldwide threat from Soviet military forces.

MILITARY STRATEGY

Senator NUNN. Is our Navy capable of meeting the demands of Secretary Weinberger's reaffirmation that:

"Our long-term goal is to be able to meet the demands of a worldwide war, including concurrent reinforcement of Europe, deployments to Southeast Asia and the Pacific and to support other areas. Given the Soviet capability to launch simultaneous attacks in Southwest Asia, NATO, and the Pacific, our long-range goal is to be capable of defending all theaters simultaneously."

General Kelley, when will the Marine Corps be capable of carrying out your portion of this strategy?

General KELLEY. The Marine Corps possesses the capability to perform reinforcing roles in Southwest Asia, Europe, and the Pacific. Various Marine air-ground task forces have been earmarked for deployment into these theaters during a crisis, to include:

Two Marine Amphibious Forces designated to support contingency plans for Southwest Asia and NATO.

A third Marine Amphibious Force which can be introduced into Korea or other areas in the Pacific theater.

However, the Marine Corps currently cannot deploy simultaneously major forces (Marine Amphibious Force size or larger) to more than one theater. Enhanced mobility is a long-term goal of the Marine Corps. In order for Marine forces to play a decisive role in the national strategy their strategic lift must carry them to these theaters in a timely manner. A number of sealift enhancement programs are underway which will help timely deployment of our forces. Although the Marine Corps relies primarily on sealift, it also sees other initiatives in airlift, prepositioning, and enroute basing support as essential to improving our inter-theater mobility and force projection capabilities.

Today, the Marine Corps is capable of deploying its forces to one or more theaters in support of CINC operations plans. However, the size of these deployed forces is directly proportional to available lift capacity and worldwide operational requirements.

FORWARD STRATEGY

Senator NUNN. Admiral Watkins, on page 16 of your statement, you state that "A forward defense on the central European front must be complemented by an equally forward strategy on the flanks and in Northeast Asia. NATO faces the Soviet homeland across a single border on the flanks and can carry the war directly to the Soviets." Does the Navy now have the capability to carry out a "forward strategy" on the flanks and in Northeast Asia, one equivalent to what we can do on the Central European front?

Admiral WATKINS. The U.S. Navy—along with our allied navies and sister services—now has the capability to carry out a "forward strategy" on the NATO flanks and in Northeast Asia, but at a high level of risk. Our 600-ship, 15 carrier battlegroup goal—and similar improvements among our allies, the Air Force, and the Army—will lower that risk, although it will not eliminate it. The risk to our forces has in fact decreased during the past three years. Given the risks involved, we may have to sequence our operations among theaters.

The situations on the NATO flanks and in Northeast Asia are quite different from that on the Central Front. On the flanks, for example, we do not have large concentrations of U.S. ground and tactical air forces based well forward as we do on the Central European Front. On the flanks and in Northeast Asia, flexible and mobile naval forces—with some sister services and allied support—provide the capability we need.

Senator NUNN. In your opinion, do we now have the capability to carry the war directly to the Soviets on their flanks in a serious way?

Admiral WATKINS. We now have the capability to carry the war directly to the Soviets on their flanks in a serious way, but with a higher risk than we consider to be militarily prudent. Consequently, we need to continue the momentum toward the 600-ship force that would enable us to reduce that risk significantly. Having this capability, irrespective of risk, forces the Soviets to spread their forces around their perimeter, and to allocate resources to counter the wide variety of sea-based threats we can pose.

Having the capability to challenge the Soviets on their flanks is an integral part of the overall national defense strategy. That capability is tied to the conventional defense of Europe and the support of our overseas allies around the world. In all but the shortest of conventional conflicts, containing the Soviet Navy in home waters and forcing the Soviet allocation of resources to protect against potential attacks in other than their preferred theater of operations, is the most effective method to maintain the sea lines of communication with our own ground and air forces and our allies. Additionally, a serious threat to the Soviet flanks relieves some of the pressure that could be mounted by Soviet ground and air forces at their preferred scene of conflict. Incidentally, the current allocation of Soviet resources to homeland and home water defense indicates that they consider our threat to their flanks to be highly credible.

A forward maritime strategy is essential to any overall U.S. strategy that places a value on the support of allies and defense of the free world. Without a viable forward maritime strategy, our ability to maintain open sea lines of communication in support of our worldwide interests would be in serious jeopardy. A defensice stance for direct protection of sea lines of communications around the world is an alternative but inefficient strategy that would require much greater force levels than currently envisioned to execute our forward, offensively oriented strategy.

The degree of risk involved can be lessened by maintaining the initiative, creating a premium on surprise, and emphasizing sequential vice simultaneous operations. Today's naval forces and the Navy-Marine Corps team are ideally suited to conduct such operations.

ABILITY TO CONFRONT SOVIETS

Senator NUNN. Does the Navy expect to be able to conduct offensive operations against the Soviet land mass in the Far Eastern Theater, for example?

Admiral WATKINS. The primary objective of the U.S. Navy is to deter war by the Soviets, and we expect to continue to do so. Should such a war occur, however, the Navy expects to conduct offensive operations against Soviet naval forces afloat and ashore, in order to secure the vital sea lines of communication, protect our forward deployed forces, and support our overseas allies. To accomplish these tasks we may well conduct operations against the Soviet Union land mass, especially in the Far East. The exact timing, extent, and location of these operations, however, would be dependent on a variety of factors, including the nature of the threat, the extent with which it had already been dealt, and the course of battle in the various theaters.

The portion of the Soviet land mass in the Far Eastern theater that is within range of naval forces stretches from Vladivostok to the Bering Strait. This entire area, including contiguous waters, contains numerous military installations and afloat forces which directly threaten Allied control of the Pacific sea lines of communication. Honoring treaty commitments to our allies in all portions of the Pacific Basin demands neutralization of that threat in a rapid and effective manner. We recognize these facts both in our strategy and in developing the capabilities to execute that strategy. Again, maintaining the initiative and using the inherent flexibility of naval forces to strike swiftly at a time and place of our choosing, gives us the ability to pose a highly credible threat to the Soviet forces in their home operating bases and waters. Sequential operations involving various combinations of surface, sub-surface, air, and space assets tailored for action based on the nature of the opposition can be planned and executed with a realistic expectation of success.

U.S. naval forces are currently not only capable of operating in those areas of the Pacific, but regularly exercise in all international waters of the Far Eastern theater. For the future, Navy development and procurement programs continue to place high priority on the ability to operate and to prevail under the special environmental conditions and threat present in the Northern and Northwestern Pacific.

Senator **Nunn**. Could the Navy or Marine Corps conduct credible offensive operations against Soviet territory anywhere on the perimeters of the U.S.S.R.?

Admiral **Watkins**. The Navy/Marine Corps team—supported by our allies and sister services—can conduct credible offensive operations against Soviet territory on the perimeter of the U.S.S.R., especially in the Far East. The actual location of such operations would be, of course, scenario dependent, and would hinge on such factors as the relative intensity of operations in the various theaters; our own, allied, and enemy attrition; the posture of allied, neutral, and Soviet surrogate countries.

The U.S. Navy is a proven blue water force. On a daily basis, we maintain ships individually and in formations up to and including multiple Carrier Battle Groups in all corners of the world. We have the logistics support to sustain our fleets on station anywhere in the oceans of the world and with our Navy-Marine Corps team have exercised under a variety of conditions and environments. We retain the flexibility and initiatives to pose a threat in places and at times of our choosing. Where the Soviet perimeter is within the range of our seaborne strike forces, we have the capability to conduct both naval and amphibious operations. It is the Soviets who must be prepared to defend their territory "anywhere" on their perimeter. The option to define what "anywhere" means in terms of conducting offensive operations remains with us.

MARITIME SUPERIORITY

Senator **Nunn**. Secretary Lehman, in your statement you quote President Reagan to the effect that, "Maritime superiority is for us a necessity." Did we have maritime superiority in 1980, do we have it now, and will we have it at the end of the current Five Year Defense Plan? President Reagan in his statement referred to our objective of keeping open all sea lanes in the world ("controlling air, surface and subsurface areas to assure access to all the oceans of the world"). Is that what is meant by maritime superiority? Can we now assure access to all the oceans of the world? Will we be able to do so at the end of the current Five Year Plan?

Secretary **Lehman**. Maritime superiority has been a fundamental and preeminent precept of the United States security policy as well as the basic cornerstone in the foundation for Naval force development. Such a maritime posture continues to be, as in the past, vital to the survival of the nation and victory in wartime.

What we mean by maritime superiority is this: We must be capable—and be seen as capable—of keeping our access secure to areas vital to our national strategy, in a timely manner and in the face of the most determined opposition. In short, freedom of access to the seas, for us, is a security imperative, an essential condition for the success of our national security strategy. In time of crisis, we must be able to venture in harm's way, controlling air, surface, and subsurface areas to assure access to all oceans of the world.

The Navy does not plan to go it alone. Indeed, the mutual support of our sister services and our allies in a coalition defense is essential to maritime superiority. We know that any major conflict will involve our allies and recognize the importance of their contribution. To the extent possible, we structure our forces to take advantage of the role allied naval forces might play. Other services, particularly the U.S. Air Force, can add significantly to our capability with command and control, early warning, air defense, mining, and logistics assets.

In my judgment, as the fleet was halved during the 1970s we lost maritime superiority as defined above. We did not have it in 1980 and don't have it now. If the President's program is carried out, in my opinion we should reestablish maritime superiority by the end of the decade.

600-SHIP LEVEL

Senator **Nunn**. You have a chart (figure 6) between pages 77 and 78 that shows the 600-ship Navy in bar graph form. Your bar graphs show that you will reach 95 percent of the 600-ship goal in fiscal year 1987 without any of the fiscal year 1985 requested programs.

What does that extra 5 percent mean and in the realistic constrained resource environment, do you think it would be more prudent to plan and procure to 95 percent of your goal rather than plan for force levels for which funding is not available?

Admiral **WATKINS**. No, it is not more prudent. We have testified repeatedly that we require a minimum of 600 ships centered on 15 carrier battle groups to meet national commitments. The fiscal year 1985 budget provides the force growth to achieve and sustain that force level. Funding is available in the President's 5 year shipbuilding plan and the ship construction (SCN) account remains balanced with all other funding categories. The ships we require after fiscal year 1985 are required to sustain that force level and maintain force mix tailored to the threat. Based on a minimal 30-year service life for ships, we will require an average of 20 battle force ships a year to sustain a modernized 600-ship force level.

DEPLOYABLE BATTLE FORCE SHIPS

Senator **NUNN**. Secretary Lehman, last week Secretary Weinberger included among the significant accomplishments of the Reagan administration the fact that our deployable battle force grew from 479 ships in 1981 to 525 ships by the end of 1984. This is an increase of 46 ships. Can you tell us how this number of 46 ships was calculated? How many ships included in this 46 were funded prior to the Reagan administration?

Secretary **LEHMAN**. The following table displays the net increase of 46 ships from the beginning of fiscal year 1980 to the end of fiscal year 1984.

Navy Gains/Losses FY 1981-FY 1984

	END FY-80	FY-81	FY-82	FY83	FY84	Total	
	479						
Begin FY Total		479	491	513	513		
		Gain					
CVN			1			1	
CV SLEP				1		1	
BB				1	1	2	*2
CG/CGN		1		1	1	3	
DD/DDG		2	2	1		5	
FFG		7	8	9	9	33	
SSBN			2	1	1	4	
SSN		4	6	3	6	19	
PHM			3	2		5	
TAFS			2		1	3	*3
AO		2	2	1		5	
AD/AS		2	1	1		4	
TAK				1		1	
TATF/TAGOS		3			4	7	
Total Gains		21	27	22	23	93	5
		Losses					
CV SLEP		1		1		2	
DD/DDG				17		17	
SS/SSN/SSBN		2		1	7	10	
PG		2				2	
LSD				2	2	4	
# LPD (AGF)		1				1	
AO/TAO			2		1	3	
AD/AS		1	3			4	
TAK/TATF		2			1	3	
ARS				1		1	
Total Losses		-9	-5	-22	-11	-47	
						Net Gain	
						46	
End Fiscal Year Ship Battle Force Total		491	513	513	525		

* Gains funded/authorized during Reagan term in office

Senator NUNN. Admiral Watkins says on page 34 of his statement "There were no net numerical increases in fleet battle force ships this past fiscal year."

When will the 46-ship increase referred to by Secretary Weinberger take place?

Secretary LEHMAN. As the table illustrates, the net gain of 46 ships occurs from the end of fiscal year 1980 to the end of fiscal year 1984.

NATIONAL DEFENSE

Senator NUNN. Secretary Lehman, the Senate Armed Services Committee is currently undertaking a study of the organization of our national defense. One of the issues being addressed is the possible need for a closer integration of service effort both in peacetime and wartime. Do you believe such a need exists? If so, what special areas are there in which greater inter-service cooperation and coordination should be sought?

Secretary LEHMAN. There is need to insure continuing inter-service cooperation and coordination and the organizational mechanisms for that process are already in place. Throughout the military system, the joint forum is designed to insure that differences of opinion and the unique concerns and contributions of each military Service are stated and heard. The body of the Joint Chiefs of Staff is the compensating mechanism that adjusts the differences between the Services as they arise, and that mechanism functions quite well. In fulfilling their duties as members of the Joint Chiefs of Staff, the Service Chiefs remove themselves from parochial concerns and consider differences and proposals with a view toward insuring appropriate horizontal integration and the greatest national benefit. But the most thoroughgoing integration of operations really goes on outside of Washington. Left to their own common sense service component commanders have worked out thousands of innovative joint, cooperative, or integrated operational plans where they make good sense.

REAL GROWTH NEEDED TO SUSTAIN NAVY PROGRAM

Senator NUNN. Given your 5-year ship construction and conversion plan, your 5-year aircraft procurement plan, your needed personnel levels, and all that goes along with it—what real growth levels are needed in the Navy budget this year and for 1986, 1987, 1988 and 1989 to sustain this program?

Admiral WATKINS. We need the real program growth of 12.7 percent contained in the fiscal year 1985 budget for the Department of the Navy. Assuming approval of the fiscal year 1985 budget as requested, the projected real program growth amounts for the DOD, (9.2 percent in fiscal year 1986, 3.5 percent in fiscal year 1987, 3.8 percent in fiscal year 1988, and 3.9 percent in fiscal year 1989) will enable the Secretary of Defense to allocate to the Department of the Navy sufficient resources to meet our 5-year plans and achieve the required force levels.

STRATEGIC VERSUS CONVENTIONAL

Senator NUNN. Admiral Watkins, I want to ask you whether or not you would have any concerns about conventional programs if the budget is reduced to approximately the 5 percent real growth projected last year by Congress and the strategic nuclear programs are "fenced" from any reductions?

Admiral WATKINS. I would have concerns about any reduction of that magnitude, whether or not a category of funding such as strategic was fenced. In the process of developing the budget, marginal programs were eliminated and savings from management improvements were accommodated; therefore, the budget cannot be reduced without a negative impact on our ability to meet national security commitments.

I would hope that budget reductions are not based on a real program growth analysis that only considers a single year of change. Such an analysis can be quite misleading. For example, while the Department of the Navy's fiscal year 1985 budget contains real program growth of 12.7 percent, the fiscal year 1984 budget declined by 3.6 percent, resulting in a two-year average growth of 4.2 percent.

To be meaningful, any real program analysis must consider more than one or two years of growth trends. Navy budget requests must be viewed in the context of the inadequate funding levels of the late 1970's. From fiscal year 1977 to fiscal year 1980, the Department of the Navy's budget declined in real terms, from $64.6 billion to $63.4 billion in constant fiscal year 1985 dollars. With the increased funding levels provided in fiscal year 1981 to fiscal year 1985 to overcome this decline, real program growth for the Department averages 5.2 percent from fiscal year 1977 to fiscal year 1985.

Senator NUNN. General Kelley, I also want to ask you whether or not you would have any concerns about your conventional programs if the budget is reduced to approximately the 5 percent real growth projected last year by Congress and the strategic nuclear programs are "fenced" from any reduction?

General KELLEY. The Marine Corps budget request contains no strategic programs. Our budget request is a reasonable, fiscally constrained presentation of our conventional requirements. Although not clearly apparent, the Marine Corps program reflects approximately five percent real growth. A proposal to limit real growth in our budget must clearly recognize the distorting effects of retired pay accrual (RPA) accounting. Failure to remove this Congressionally directed accounting change skews real growth comparisons. For the Marine Corps the RPA amount is $1,205 million. Keeping this in mind, the real growth for the Marine Corps between fiscal years 1984 and 1985 is presently 5.1 percent. Hence, my only remaining concern would involve shipbuilding and naval aircraft programs in the DON submit that I fully support. Any cuts in these programs would limit the Marine Corps' ability to respond to our commitments.

A detailed comparison of the fiscal year 1984 appropriation (in constant 1985 dollars) and the fiscal year 1985 budget request is provided below. Deletion of the retired pay accrual (RPA) from the fiscal year 1985 total allows a realistic comparison between the 2 years. This reflects roughly 5 percent real growth.

	FY 1984		FY 85 Pres Bud
MPMC	3578.0		4845.9
RPMC	183.2		269.5
O&M	1618.0		1683.1
O&MR	54.6		58.6
PMC	1837.1		1978.6
SF	21.8		34.9
	7292.7		8870.6
		(RPA)	-1205.1
			7665.5
		5.1%	

THREE-OCEAN NAVY

Senator NUNN. Secretary Lehman, on page 34 of your statement you state that "No longer do we have a 1½ ocean Navy for a 3-ocean commitment."

Does this mean that we now have, in your opinion, a Navy fully capable of operating in three oceans simultaneously?

Secretary LEHMAN. Currently the Navy is meeting peacetime commitments in the Atlantic, Mediterranean, Pacific, Caribbean and Indian Ocean. This is possible through effective employment of the flexible operations concept. "FLEXOPS" allows the Navy to operate in several ocean areas while maintaining favorable homeport/deployment ratios for ships necesary for adequate crew rest and maintenance. Our requirement to meet the three ocean challenge remains the 600-ship Navy centered on 15 deployable carrie battlegroups, and a fully mobilized effort by allied navies. Even in such circumstances, operations must be sequential rather than simultaneous in all theaters.

Senator NUNN. Secretary Weinberger told the committee last week that we have added 46 deployable battle force ships from fiscal year 1981 through fiscal year 1984.

Is it the addition of 46 deployable battle force ships—an increase of 10 percent—that has allowed the Navy to expand from a 1½ to a 3 ocean Navy?

Secretary LEHMAN. Since 1981 the addition of a battleship, a nuclear-powered aircraft carrier, surface combatants, and attack submarines to our force structure has significantly enhanced our scope of operations. This will continually improve as ships ordered to make up the 600-ship Navy join the fleet. Contributing to the Navy's expansion to a three ocean Navy by the end of the decade is the use of flexible operations for deployed battlegroups, and increases in readiness and sustainability. To achieve our goals, however, requires sustained congressional support.

RESERVE F/A-18

Senator NUNN. Secretary Lehman and Admiral Watkins, I want to compliment both of you on the use of Naval Reservists to provide some shore leave for personnel deployed with the battleship *New Jersey*. I understand the response from the Reservists to the Navy's call for help was overwhelming.

I recall discussing this approach with Admiral Hayward several years ago when personnel readiness was such a central problem.

I would hope you would consider more of this, reliance on Reservists, especially considering the increase you are requesting in active manpower.

In a similar view, I want to ask you both whether or not you are still committed to putting F/A-18s into the Naval Reserve?

Secretary LEHMAN. We are committed more than ever to modernizing the Reserve Carrier Air Wings. VFA-303 at NAS Lemoore, Calif., has begun operating the F/A-18 aircraft. To ensure proper phasing of our F/A-18 force with deploying carriers and to expedite the integration of this multi-mission capable strike fighter into the Reserve Force, VFA-303 will initially train and operate in VFA-125 aircraft until receiving their own in 1986. The second Reserve F/A-18 squadron will be established in 1986. If Congress didn't continue to cut our budget requests we would be able to speed this much overdue modernization.

Senator NUNN. Do you agree with the deletion in conference of the provision prohibiting this from occurring?

Secretary LEHMAN. Yes I do. At that time, language restricting the Navy from putting the F/A-18 into the Naval Reserve would have been detrimental to the best interests of the Navy.

Senator NUNN. In a similar view, I want to ask you both whether or not you are still committed to putting F/A-18s into the Naval Reserve?

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Admiral WATKINS. Yes I do. At that time, language restricting the Navy from putting the F/A-18 into the Naval Reserve would have been detrimental to the best interests of the Navy.

INDEPENDENT COST ESTIMATING

Senator NUNN. You indicate that you have established an "independent cost estimating" organization to independently advise you on program cost estimates? How are you using this unit and have you used the independent estimate over the program office's estimate for any of your systems?

Secretary LEHMAN. I am using the independent cost analysis group to implement DOD guidance to budget to the most likely cost estimates. During both the budget development process and the acquisition review process, the program manager's and independent cost estimates are compared. If there are significant differences between the two estimates, they are resolved prior to proceeding. For example, recently the decision on the MK-50 torpedo Milestone II DNSARC was delayed until cost issues, that were highlighted by the independent cost estimate, were resolved. In this case, the program manager's estimate of the effects of competition was adjusted.

The independent cost estimating group serves as a check on the validity of the program manager's estimate. Where significant differences between the two estimates exist, we subject them to further analysis to ensure that our budget is properly priced.

ORDNANCE INVENTORIES

Senator **Nunn**. Admiral Watkins, from fiscal year 1980 to fiscal year 1984 the Weapons Procurement, Navy account has grown by 89 percent, from $2.0 billion to $3.7 billion.

Yet you say in your statement "cross-decking of some categories of weapons to complete load-outs for our deployed forces is still common in a number of important ordnance areas."

Your statement also notes that even after the fiscal year 1984 buy, the inventory of air-to-air missiles will only be 40 percent of your obective.

How long will it take to bring ordnance inventories up to what you would consider reasonable risk levels?

Admiral **Watkins**. This problem is due for the most part to the approximately 2-year delay between funding and delivery of completed weapons. With continued congressional support, cross decking will be a thing of the past by the end of the decade.

DEPOT MAINTENANCE BACKLOGS

Senator **Nunn**. Secretary Lehman, you say on page 20 of your prepared statement that "The chronic problem of long backlogs of ships and aircraft awaiting overhaul will be effectively eliminated if fiscal year 1985 readiness requests are appropriated by Congress."

Admiral Watkins' statement says on page 68 that "the aircraft rework backlog remains at high levels."

My understanding is that the Navy's depot maintenance backlog in fiscal year 1985 is $293 million down from the fiscal year 1984 level of $354 million but above the 1983 level of $265 million.

Are these figures correct?

Does this backlog represent a problem or not? How much of this backlog is for ships and how much for aircraft?

Secretary **Lehman**. These earlier depot maintenance backlog figures represented preliminary budget estimates. The correct figures as shown in the fiscal year 1985 budget, excluding ship alterations, and airframe rework are 245.0 million, 360.7 million and 296.8 million in fiscal year 1983, fiscal year 1984 and fiscal year 1985 respectively. These amounts, which represent the executable unfinanced backlogs that are constrained by dollars only and do not include operational and other constraints, are broken out in the following table:

Depot Maintenance Backlog
Financially Constrained
$ in Millions

O&M, N	FY83	FY84	FY85
Ship Maintenance	63.7	130.9	55.3*
Aircraft Maintenance	64.8	83.8	56.0
Other Maintenance	116.5	146.0	185.5
Air Launched Weapons	(8.3)	-	(5.9)
Surface Missiles	(4.3)	(9.5)	(17.1)
Ship Electronics	(8.0)	(21.0)	(22.0)
Calibration	(13.3)	(6.1)	(6.0)
Ground Support Equip	(6.9)	-	-
ASW Weapons	(14.8)	(31.1)	(43.8)
Search Radars	-	(6.9)	(6.2)
Miscellaneous:			
Aviation	(9.3)	-	-
Shipboard	(28.4)	(57.2)	(64.2)
Electronic	(22.9)	(14.2)	(19.9)
TOTAL	245.0	360.7	296.8

* Does not include $16.3 Modernization
( ) Non-Add

Although any overhaul backlog impacts on fleet readiness, the fiscal year 1985 ship maintenance backlog is the lowest in years. The fiscal year 1985 aircraft backlog is primarily due to the impact of the Congressional $90 million reduction to the fiscal year 1984 program. A backlog of this amount can be managed during program execution although readiness ratings will not be as high as they would be if the full requirement was funded. Further, in view of recent Navy management initiatives, including the recently approved Aircraft Service Period Adjustment (ASPA) program, projected requirements have been reduced below previous estimates. As a result of better requirements definitions under ASPA management initiatives, backlogs in airframe depot maintenance have now been virtually eliminated.

SHIP READINESS TRENDS

Senator NUNN. As you pointed out in your statement, personnel readiness has been one of the most significant factors in improving overall readiness. The number and percent of ships rated less than fully ready for personnel reasons has improved dramatically since the end of 1980.

However, the number and percent of ships rated less than fully combat ready because of three other categories—Equipment/Supplies on Hand, Equipment Readiness, Training—has increased since 1980, in some cases very significantly.

Admiral Watkins, how do you account for this fact? Does it suggest an imbalance in the Navy's budget over the last several years, with too much emphasis being placed on major end items of equipment and not enough emphasis on support equipment, equipment maintenance and training?

Admiral WATKINS. The facts concerning Navy readiness are as follows: From fiscal year 1981 through the first quarter of fiscal year 1984, the percent of all ships reporting fully combat ready has increased in all five readiness categories. The percent of ships reporting fully combat ready (C–1) overall has increased by 6 percentage points. As you have noted, a major contributor to this increase in readiness is our improved personnel situation, and the fully combat ready (C–1) rating for personnel readiness rose by 41 percentage points over the same period. Additionally, fully combat ready ratings for Equipment Readiness (C–1) have risen by 8 percentage points, Equipment/Supplies on Hand (C–1) by 11 percentage points, and Training Readiness (C–1) by 2 percentage points over the same time frame. A much better perspective of overall force readiness is provided by looking at the substantially ready (C–1/C–2) rating. As I've said in my posture statement, from fiscal year 1981 through the first quarter of fiscal year 1984 the percent of ships reporting substantially combat ready (C1/C2) overall has increased by 24 percentage points. Again, a major contributor to this increase in readiness is our improved personnel situation. The substantially ready rating (C1/C2) for personnel has increased by 36 percentage points during the same period. Similarly Equipment Readiness (C1/C2) has risen by 9 percentage points, Training Readiness (C1/C2) by 4 percentage points and, Equipment/Supplies on Hand (C1/C2) by 6 percentage points over the same period. We expect further improvements in these areas as the investments we have made in spare parts, maintenance, and training over the past several years, coupled with improved personnel readiness, continue to pay off. With your continued support, we should see further improvements in our readiness posture.

COMBATANT FORCE LEVELS

Senator NUNN. Mr. Secretary, I understand that from fiscal year 1981 to fiscal year 1984 only two more combatant ships have been funded than during the previous four years. There have been 14 additional support ships—tugs, supply ships, cargo ships, etc.

How will the Navy be able to form battle groups for the two new carriers that have been funded if there are no additional other combatant ships coming along? When will you be able to have 16 fully supported battle groups?

Secretary LEHMAN. The following tables indicate Navy ships funded over the past eight fiscal years:

Navy Construction Funded
FY 1977 - FY 1980
Combatants

Program	FY 1977	FY 1978	FY 1977	FY 1980	4 YR Total By Program
TRIDENT	1	2	-	1	4
SSN	3	1	1	2	7
BELKNAP (C)	1	-	-	-	1
FFG	8	8	8	5	29
CG-47	-	1	-	1	2
DD-997	-	1	-	-	1
DDG-993	-	-	4	-	4
CVN-71	-	-	-	1	1
Subtotal	13	13	13	10	49
Auxiliaries/Support Ships					
AD	1	-	1	-	2
AS	1	-	-	-	1
AO	1	2	-	-	3
TATF	-	3	-	-	3
TAGOS	-	-	2	1	3
TARC	-	-	1	-	1
Subtotal	3	5	4	1	13
Annual Total	16	18	17	11	62

Four Year Total - 62

Navy Construction Funded
FY 1981 - FY 1984
Combatants

Program	FY 1981	FY 1982	FY 1983	FY 1984	4 YR Total By Program
TRIDENT	1	-	1	1	3
SSN	2	2	2	3	9
CV SLEP	1	-	1	-	2
CG-47	2	3	3	3	11
LSD-41	1	1	1	1	4
FFG-7	6	3	2	1	12
BB(R)	-	1	1	-	2
MCM	-	1	1	3	5
CVN	-	-	2	-	2
MSH	-	-	-	1	1
LHD	-	-	-	1	1
Subtotal	13	11	14	14	52
Auxiliaries/Support Ships					
MSH	-	-	-	1	1
LHD	-	-	-	1	1
Subtotal	13	11	14	14	52
TAK	1	-	-	-	1
TAGOS	5	4	-	-	9
ARS-50	1	2	1	-	4
TAO	-	1	1	2	4
TAKR	-	4	-	4	8
TAKX	-	13	-	-	13
TAFS	-	2	-	1	3
TAH	-	-	1	1	2
Subtotal	7	26	3	8	44
Annual Total	20	39	17	22	96

Four Year Total - 96

As you can see, the actual differences are three more combatants and thirty-one more Auxiliaries/Support ships funded in the latest four year period. During the fiscal year 1977–fiscal year 1980 period, sixty percent of all combatants consisted of FFG–7 class ships which were designed for escort duty, and ships including CVN 71 were added by Congress to the Administration request. From 1981 through 1984, we introduced new programs for CV SLEP, LSD–41, BB(R), MCM, MSH and LHD combatants as well as ARS, TAO, TAKR, TAKX, TAFS and TAH programs for auxiliary and support ships. As a result, we are proceeding toward a balanced 600 ship Navy.

Our 600 ship Navy will have sufficient surface combatants for 15 CVBG and 4 surface action groups. The increased CG–47 production authorized in the last four budgets and funding this year of the lead DDG–51 to replace aging DDG–2 and 37 class ships will provide the most battle group capable ships ever to sail with our carriers.

JAPANESE GOVERNMENT BAN—AUTOS

Senator NUNN. What efforts, if any, have been undertaken by DOD to persuade the Japanese Government to remove their ban, since the late 1970's, against use in Japan, of all U.S. made automobiles manufactured after 1977 and owned by U.S. military and civilian personnel serving in Japan and Okinawa?

Secretary LEHMAN. The impact on U.S. military personnel of these stringent emission controls has been extensively explored with the Japanese. In addition to talks between the Commander U.S. Forces Japan and the Government of Japan, the issue was raised formally in the United States-Japan Joint Committee on two separate occasions without success and a State Department approach to the Japanese Embassy in Washington was also rejected.

GUAM ALTERNATIVE PORT USE

Senator NUNN. Please provide figures for the number of Japanese manufactured vehicles shipped at U.S. taxpayers' expense through Guam to the U.S. during fiscal years 1981, 1982, and 1983, respectively.

Secretary LEHMAN. Japanese cars processed by NSD Guam as alternate port shipments are as follows:

	5 quarters (June 1980 to September 1981)	Fiscal year		Fiscal year 1984 to January 31
		1982	1983	
Members' duty station:				
Japan	217	402	858	420
Philippines	30	69	175	92
Korea	9	25	98	53
Other	0	31	59	51
Total	256	527	1190	616

NUMBER OF VEHICLES SOLD VIA AAFES

Senator NUNN. During the time period (fiscal years 1981–83), please identify the total number of American made vehicles purchased through the AAFES program in Japan and Okinawa.

Secretary LEHMAN. The number of American-made vehicles sold via the AAFES program in Japan and Okinawa:

	Fiscal year—		
	1981	1982	1983
Members' station:			
Okinawa	550	594	547
Japan	326	293	266

COST OF MOST POPULAR AUTOMOBILES SHIPPED

Senator Nunn. For each popular model of Japanese-made automobile and for each port to which such automobiles are shipped through Guam on behalf of armed services members, please provide the full cost in terms of avoided customs, transportation, loading, and shipping for each vehicle type.

Secretary Lehman. The most common models shipped under the alternate port procedures are as follows:

VEHICLE COSTS

Car Model	Destination	Port Handling	Shipment	Document	Total
8 Measurement Tons *					
Toyota Corolla & Tercel (Sedan) & Hatchback) Suzuki SJ410 (Jeep type): Mazda GLC; Honda Civic; Subaru Hatchback & Hard-Top	West Coast	221.44	999.80	75.04	1296.28
	East Coast	282.72	1275.60	84.24	1642.56
	Gulf Port	282.72	1992.00	84.24	2358.96
9 Measurement Tons *					
Toyota Corolla Wagon, Celica Coupe & Liftback, Mazda GLC Custom; Honda Accord Mitsubishi Starion, Cardia Fredia; Nissan Sentra & Pulsar; Subaru Brat, Subaru 4 Door & Station Wagon	West Coast	249.12	1123.65	84.42	1457.19
	East Coast	318.06	1435.05	94.77	1847.88
	Gulf Port	318.06	2241.00	94.77	2653.83
10 Measurement Tons *					
Toyota Celica Supra, Toyota Cresida Sedan & Wagon, Toyota Camry (Liftback & Sedan) Toyota Hilux Pickup; Nissan Stanza, Missan 200SX, 280SX, 280ZX, 300	West Coast	276.80	1248.50	93.80	1619.10
	East Coast	353.40	1594.50	105.30	2053.20
	Gulf Port	353.40	2490.00	105.30	2948.70
11 Measurement Tons *					
Toyota 4X4 Pickup, Isuzu Pickup; Datsun Maxima Sedan & Wagon	West Coast	304.48	1373.35	103.18	1781.01
	East Coast	388.74	1753.95	115.83	2258.52
	Gulf Port	388.74	2739.00	115.83	3243.57

* One Measurement Ton = 40 cubic feet
Cubic feet for measurement tons is Length x Width x Height of the vehicle divided by 40 cubic feet.

VOLUNTARY QUOTA APPLICABLE TO JAPAN

Senator Nunn. Are those Japanese-made automobiles shipped through Guam at taxpayer expense included in the voluntary quota applicable to Japanese manufacturers?

Secretary Lehman. The Department of the Navy has no information regarding the Japanese voluntary import quotas.

AUTOMOBILE IMPORTS

Senator Nunn. Please explain what consideration, if any has been given to allowing U.S. service personnel stationed in Japan and Guam to purchase and ship their Japanese-made automobiles from Japan, and what the cost difference would be if this took place, rather than shipment through Guam.

Secretary Lehman. This option is unavailable to U.S. service personnel because of commercial agreements which preclude the purchase of Japanese export cars in Japan by other than persons with diplomatic status.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

MEASURES OF NAVAL POWER

Senator Levin. About 13 months ago, President Reagan told the American people that the United States was militarily inferior to the Soviets "in virtually every measure of military power." He said: "Today in virtually every measure of military power, the Soviet Union enjoys a decided advantage. . . ." (November 22, 1982)

Admiral Watkins, how many measures of military power are there for the Navy?

Admiral WATKINS. While President Reagan's address on Arms Reduction and Deterrence focused primarily on strategic capabilities, his comments were also applicable to conventional capability. Unlike strategic forces, however, there is no generally accepted list of measures of naval power. Qualitative or quantitative comparisons or any of the myriad other measures that may be developed, do not permit precise conclusions concerning U.S./Soviet naval force balance. The best way to evaluate our naval power is to compare our actual capabilities to those required to accomplish assigned missions.

Senator LEVIN. In how many measures of military power is our Navy inferior to the Soviet Navy—one, five, seven? Provide a complete list for the record.

Admiral WATKINS. Assessments of our capabilities are sensitive to the scenario used and the time of the conflict. If we fight smart, and I believe we will, the capabilities embodied in the Navy's five year program, when combined with the contributions of our allies and sister services, will allow us to prevail. In comparing our major warfare areas versus the missions required in the execution of the Navy's maritime strategy, I would say our strengths—if you support our program—would include all major Naval warfare areas (such as ASW, AAW, etc.). In planning our program, we assessed our capabilities versus the threat, and developed a balanced program that fixes shortcomings without creating new vulnerabilities.

PAY COMPARABILITY

Senator LEVIN. Is it not true that this administration, allegedly so concerned about maintaining comparability between military and civilian pay, actually proposed there be no pay raise in fiscal year 1984, which would have lowered military pay to levels further below comparability than they were before Congress raised pay in fiscal year 1981 and fiscal year 1982?

Admiral WATKINS. It is true that the administration did not propose a fiscal year 1984 pay raise; this is why it is so important that other elments of military compensation achieve their intended purposes. Your strong support will be needed to maintain the integrity and stability of the present military retirement system, to provide full funding for travel reimbursements, to provide full funding for special and incentive pays, and to provide the requested funding for bonus programs. All of these items make up our total compensation package which must remain competitive with the private sector. If pay comparability is not maintained then the primary means to maintain a competitive package is the use of bonuses. In the long term, if careerists perceive a reduced commitment from the Federal Government, such as results from frequent attacks on our long standing retirement system, we will be unable to maintain required career retention rates and, therefore, will suffer reduced readiness.

Senator LEVIN. Is it not true that Congress imposed a 4 percent pay raise on the administration in fiscal year 1984?

Admiral WATKINS. In the fiscal year 1984 budget, the President proposed a pay freeze for all Federal employees in order to help reduce the Federal deficit. As always, in the national interest, our men and women willingly supported the President's recommendation because they were not singled out within the Federal work force to carry the burden alone. During review of the budget, Congress granted a 4 percent raise effective January 1, 1984. This signal from the Congress was well received by our people. We also appreciated the necessary additional funding for the pay raise which if not received would have caused cutbacks in other important manpower programs.

Senator LEVIN. Last year, Secretary Weinberger vowed that he would propose a catch-up pay raise in fiscal year 1985 to restore comparability, if the administration's plan for no pay raise in fiscal year 1984 was approved. Even with the 4 pecent pay raise granted by Congress, is it not true that the administration's proposed 5.5 percent pay raise in fiscal year 1985 still is below comparability and that a 12.5 percent pay raise in fiscal year 1985 would be required to restore military pay to the levels promised by the administration last year?

Admiral WATKINS. Depending on the index applied, either the Employment Cost Index (ECI) or the Professional, Administrative, Technical and Clerical (PATC) Index, an increase necessary to regain full comparability is in the range of 10.5 to 14 percent. The 5.5 percent proposed in the fiscal year 1985 budget is an approximation of the civilian sector wage growth during fiscal year 1984. It would not restore the growth lost during fiscal years 1982 and 1983.

BUDGET PRIORITIES

Senator **Levin**. Mr. Secretary, the fiscal year 1985 Navy shipbuilding budget requests 23 new construction ships and 6 conversions and reactivations. There also are some 291 new aircraft proposed for procurement in fiscal year 1985.

We all know this budget will be cut. The Budget Resolution crafted last year and approved by the President's own party called for 5 percent real growth in defense spending in fiscal year 1985, not the 13 percent proposed in the DOD budget request. That means Congress could have to cut as much as $22 billion from this request.

Mr. Secretary, which ships would you give up, and how would you recommend we spread the reductions among the aircraft programs to minimize their impacts yet reduce the budget to the 5 percent real growth total. What would be your lowest priority ships and aircraft?

Secretary **Lehman**. The question implies that the Department of the Navy's budget has large real growth and that the growth is principally in the shipbuilding and aircraft appropriations. While real growth in the Department's fiscal year 1985 budget is 12.7 percent, this growth over fiscal year 1984 cannot be considered large since the fiscal year 1984 budget for shipbuilding and aircraft procurement is lower than the real growth for the Department as a whole, 9.1 percent and 6.7 percent respectively. The Department considers these to be prudent and affordable growth figures which permit us to continue to procure the modern warships and aircraft rquired to meet our national security commitments. The President's budget represents the minimum level of required Navy shipbuilding and aircraft procurement.

The current budget is a product of over a year long effort to develop a balanced Navy program. It has been subjected to a series of intense reviews and has already resulted in budget reductions. A budget reduction of the magnitude stated would have a negative impact on the Navy's ability to meet its worldwide commitments, both in the near term and the future. I cannot prioritize but will emphasize that programs would have to be deferred, stretched or canceled with resulting risk to our national security and in loss of procurement efficiencies and economies.

SHIP DELIVERIES

Senator **Levin**. Provide for the record a list of all the ships which have been delivered to the fleet since February 5, 1981, hearing until now, and identify under which Congress and Presidential administration they were authorized and funded.

Secretary **Lehman**. The following ships have been delivered to the Navy during the period February 5, 1981 to February 8, 1984. The Congress and President in office when they were authorized and funded are also provided.

		Authorized and Funded		
SHIP	DATE DELIVERED	FISCAL YEAR	CONGRESS	PRESIDENT
FFG-16	6 Feb 1981	1976	94th	Ford
SSN-698	13 Feb 1981	1972	92nd	Nixon
SSN-699	31 Mar 1981	1972	92nd	Nixon
SSN-711	7 Apr 1981	1975	93rd	Ford
FFG-14	24 Apr 1981	1976	94th	Ford
TATF-171	1 May 1981	1978	95th	Carter
DDG-993	4 May 1981	1979	95th	Carter
AD-42	5 May 1981	1976	94th	Ford
FFG-21	8 May 1981	1977	94th	Ford
AO-178	28 May 1981	1976	94th	Ford
SSN-700	26 Jun 1981	1973	92nd	Nixon
DDG-994	6 Jul 1981	1979	95th	Carter
TATF-172	23 Jul 1981	1978	95th	Carter
AS-41	27 Jul 1981	1977	94th	Ford
FFG-24	7 Aug 1981	1977	94th	Ford
FFG-20	20 Aug 1981	1977	94th	Ford
DDG-995	8 Sep 1981	1979	95th	Carter
SSN-701	30 Sep 1981	1973	92nd	Nixon
FFG-19	6 Oct 1981	1977	94th	Ford
PHM-3	7 Oct 1981	1975	93rd	Ford
SSBN-726	28 Oct 1981	1974	93rd	Nixon
AO-179	5 Nov 1981	1977	94th	Ford
FFG-26	20 Nov 1981	1977	94th	Ford
SSN-702	18 Dec 1981	1973	92nd	Nixon
SSN-703	22 Dec 1981	1973	92nd	Nixon
FFG-22	29 Dec 1981	1974	93rd	Nixon
DDG-996	18 Jan 1982	1979	95th	Carter
PHM-4	26 Jan 1982	1975	93rd	Ford
AD-43	15 Feb 1982	1977	94th	Carter
SSN-712	26 Feb 1982	1975	93rd	Ford
CVN-70	26 Feb 1982	1974	93rd	Nixon
FFG-23	1 Mar 1982	1977	94th	Ford
TAFS-8	1 Mar 1982	1982	97th	Reagan
TAFS-9	1 Mar 1982	1982	97th	Reagan
FFG-29	5 Mar 1982	1978	95th	Carter
FFG-28	6 May 1982	1978	95th	Carter
PHM-5	10 May 1982	1975	93rd	Ford
FFG-25	18 Jun 1982	1977	94th	Ford
FFG-32	18 Jun 1982	1978	95th	Carter
SSN-704	19 Jul 1982	1973	92nd	Nixon

PHM-6	29 Jul 1982	1975	93rd	Ford
AO-180	27 Aug 1982	1978	95th	Carter
SSBN-727	28 Aug 1982	1975	93rd	Ford
PHM-2	17 Sep 1982	1976	94th	Ford
SSN-713	21 Sep 1982	1976	93rd	Ford
FFG-34	1 Oct 1982	1978	95th	Carter
FFG-31	14 Oct 1982	1978	95th	Carter
FFG-27	22 Oct 1982	1978	95th	Carter
SSN-705	24 Nov 1982	1973	92nd	Nixon
CG-47	13 Dec 1982	1978	95th	Carter
BB-62	17 Dec 1982	1982	97th	Reagan
FFG-36	14 Jan 1983	1979	95th	Carter
AO-186	27 Jan 1983	1978	95th	Carter
CV-60	1 Feb 1983	1981	96th	Carter
FFG-30	4 Feb 1983	1978	95th	Carter
DD-997	10 Feb 1983	1978	95th	Carter
TAK-286	18 Mar 1983	1981	96th	Carter
SSN-706	14 Apr 1983	1974	93rd	Nixon
SSN-714	7 May 1983	1976	94th	Ford
SSBN-728	17 May 1983	1975	93rd	Ford
FFG-33	27 May 1983	1978	95th	Carter
FFG-37	9 Jun 1983	1979	95th	Carter
AD-44	26 Jul 1983	1979	95th	Carter
FFG-42	5 Aug 1983	1979	95th	Carter
SSN-707	27 Aug 1983	1974	93rd	Nixon
FFG-38	2 Sep 1983	1979	95th	Carter
SSN-715	27 Oct 1983	1976	94th	Ford
FFG-41	4 Nov 1983	1979	95th	Carter
FFG-45	10 Nov 1983	1980	96th	Carter
TAFS-10	13 Dec 1983	1984	98th	Reagan
FFG-40	22 Dec 1983	1979	95th	Carter
SSGN-729	17 Jan 1984	1976	94th	Ford

SSBN SECURITY

Senator LEVIN. Mr. Secretary, last year you stated that the oceans were becoming more rather than less opaque in terms of Soviet capabilities to threaten our strategic ballistic missile submarines. Is this still the case one year later, and will invulnerability of this leg of the strategic deterrent triad continue through the end of the century as you predicted last year?

Secretary LEHMAN. Yes.

EXTREMELY LOW FREQUENCY (ELF)

Senator LEVIN. Admiral Watkins, you stated in response to a question that the ELF (Extremely Low Frequency) submarine communications system is "absolutely vital" to the Navy. If the system is so vital, why did the Navy recommend not deploying it—in essence killing the program—in 1978?

Admiral WATKINS. The Navy did not recommend against deployment of the ELF system in 1978. President Carter, on 16 February 1978, directed the termination of Project Seafarer, and requested further studies of the Wisconsin/Michigan proposal before making a decision on how to proceed with ELF. Congress restricted funding for the ELF program in the fiscal year 1979 Authorization Act which precluded obligation or expenditure of funds unless the President certified in writing to Congress that use of these funds was in the national interest, that a site had been selected and that the site had been approved by the President. Although the Navy supported ELF as a vital addition to our communications assets, the Wisconsin Test Facility was placed in a caretaker status in 1979 because the fiscal year 1979 Authorization Act restricted funds for operation.

In March 1981, CNO (Admiral Hayward) testified that he did not recommend to do away with ELF, as had been suggested by the press. His recommendation was that the Navy maintain the status quo of the Wisconsin Test Faciilty; i.e. a caretaker status. He testified that a significant investment was required to proceed with ELF deployment and that money was not available. He restated his continued support of ELF. Recognizing the unique capability ELF provided, in April 1981 the Secretary of Defense recommended reactivation and operation of the Wisconsin Test Facility and renewal of the ELF research and development effort. In October 1981, the President ordered deployment of the ELF Communications System to include upgrade of the Wisconsin Test Facility, construction of a second transmitter facility in Michigan and ELF receivers on submarines. That presidential decision to deploy ELF has been fully supported by the Navy.

Senator LEVIN. The system the Navy recommended not deploying was larger, supposedly more capable, more survivable against sabotage and more expensive than the currently proposed system. If that system was not "absolutely vital," why is an ELF system which is smaller, less capable and more vulnerable to sabotage?

Admiral WATKINS. As I have stated before, the Navy has not recommended against the deployment of ELF. The requirement for survivable command and control connectivity to our sea-based strategic missile system is essential and has not changed. The original ELF plan was to have provided this with the Sanguine system. But, Sanguine and its successor, Seafarer, were large systems, controversial because of their size and cost.

Changes in policy and enemy threat altered the nature of the command, control and communications capability required to provide survivable connectivity. Survivability of Sanguine and Seafarer was reduced as the missile threat increased.

The smaller-sized ELF communications capability, used in conjunction with higher data rate systems such as TACAMO Airborne Very Low Frequency transmission system and the fixed Very Low Frequency sites, was designed to enhance the dispersed and redundant connectivity necessary for the Navy's Strategic Missile system.

The ELF system will extend the operational envelope in which our submarines can receive communications from a near surface and low speed posture, to hundreds of feet in depth and high speeds. This dramatic increase in communications capability will significantly reduce the probability our strategic submarines can be detected.

Threat of sabotage to any shore-based facility is of concern. The new ELF transmitter sites will be constructed to the DOD/JCS security requirements for communication facilities. The two ELF transmitter sites will be able to operate independently so that a problem at one site will not prevent ELF transmissions. The performance of each antenna will be monitored electrically at the transmitter control center. Any indication of incorrect operation will be observed by supervisory personnel who take the necessary action to resolve the problem. Technological developments provide the ELF system resistance to jamming, cryptographic security and lightning protection.

Senator LEVIN. You stated that ELF is needed for the Navy to use its nuclear, land attack sea launched cruise missiles carried by submarines. This is the first time this rationale has been given for ELF in its 16 year history. When was it decided that ELF was needed for this capability and why was this not communicated before to the Congress. How can you convince Congress that this rationale was not created in an effort to try to overcome ELF's lack of cost effectiveness and survivability?

Admiral WATKINS. I believe what I actually said is that we need to insure maximum alert potential not only for the SSBN force but also for the SSN force as Tomahawk enters the fleet. My statement was intended to suggest that it makes good business sense to capitalize on an existing capability such as ELF and extend it beyond strategic forces to improve the effectiveness of our tactical forces. It is not the Navy's intention to suggest a dependent relationship between ELF and command and control of the TLAM-N missile. The ELF system provides continuous communications connectivity with minimum impact on the SSBN/SSN operating envelope. ELF, therefore, can also greatly improve SSN operational capability.

READINESS

Senator LEVIN. Mr. Secretary, your statement claims that "next to personnel, material readines has received the highest funding priority of all Navy accounts during the last 3 years."

How can you claim this considering that, between fiscal year 1980 and fiscal year 1983, the biggest item procurement accounts, new ships and aircraft, grew in real term (after inflation), by percentages as much as 4–5 times greater than the real growth in the readiness accounts:

	Percent
Major procurement:	
New ship procurement	+102.9
New aircraft buys	+ 90.3
Directly readiness related:	
O&M increases	+ 16.3
Weapons purchases	+ 39.2
Other procurement (mainly readiness)	+ 23.3

Overall Navy readiness has improved markedly between fiscal year 1981–1983, mainly due to increases in personnel retention and improved personnel readiness.

Secretary LEHMAN. In developing the budgets for fiscal years 1980 through 1983, we ensured that material readiness requirements received priority within the total requests submitted. The magnitude of increase in real growth to restore readiness was not as large as the percentage increase required to restore balance to the investment accounts following the naval disarmament of the seventies. For example, these budgets reflect the procurement of 2 aircraft carriers, which by themselves represent a very large percentage of the growth seen in the procurement accounts. Further, real program growth for the fiscal year 1983–85 period is projected as follows:

	Percent
Shipbuilding	−26.2
Aircraft procurement	+.7
Operation and maintenance	+18.0
Weapons procurement	+23.5
Other procurement	+47.8

In developing the budget requests for these years, we insured that high-payoff readiness initiatives were covered before we included modernization and investment increases.

NAVY READINESS

Senator LEVIN. Is it not true, however, that there has not been a corresponding increase in readiness indicators relating to deficiencies in equipment condition? Is it true that deficiencies in equipment condition have stayed relatively constant by fiscal year 1983 in terms of the number of days these deficiencies led to C–3/C–4, low readiness or unready ratings?

Secretary LEHMAN. No. All indices are up, including equipment readiness, and we expect this trend to continue. As a further indicator of the dividends we are reaping from increased emphasis on funding for readiness and sustainability, between fiscal years 1981–1983 the number of days, ships and aircraft reported C–3/C–4 in equipment readiness decreased.

PERSONNEL READINESS

Senator LEVIN. Is it not true that deficiencies in supplies and equipment on hand as well as training have become more pressing problems, but that the impact of these trends diluted by the improvement in personnel readiness, with the net effect of raising overall reported readiness?

Secretary LEHMAN. No. All readiness indicators are up and we expect these trends to continue. The results of our recent investments in readiness and sustainability are just beginning to be felt.

NAVY READINESS

Senator LEVIN. Given increased funding for procurement, spares and repair parts, and training, why haven't deficiencies in equipment condition supplies and equipment on hand, and training declined during the 3 years? What will it take before improvement will begin to occur in these problem areas?

Secretary LEHMAN. The funding increases have in fact resulted in increased readiness in virtually every category over the last three years. For example, as a direct result of the additional spare parts that have been placed in the system, there has been nearly a 20-percent increase in mission capability of the embarked airwings on our deployed carriers.

FLIGHT HOURS

Senator LEVIN. I am pleased that the fiscal year 1985 budget appears to finally reverse that trend and is providing for an increase in the flying hour program. Final judgment should be reserved until the Material Readiness Report is available. However, even with the increase in fiscal year 1985 requested, is it not true that the Navy will still be short its goal for Primary Mission Readiness Rates of 88 percent based on the flying hour program?

Secretary LEHMAN. The overall Primary Mission Readiness Rate for 1985 is programed to be 86 percent. This level represents a gradually improving trend from a low of 83 percent in 1983 and strikes a balance between flying hour requirements and aircraft material readiness support.

REPAIR PARTS FUNDING FOR GENERAL PURPOSE SHIP OPERATIONS

Senator LEVIN. Repair parts funding for general purpose ship operations has increased by 65 percent since fiscal year 1980. During this time spares availability has not improved, and has, in fact, been getting worse. Why? Will this problem be exaggerated as the fleets expand to 600 ships? What does this (mean) in terms of funding in the Five Year Defense Plan? How much will future budgets need to be increased?

Secretary LEHMAN. Total ships' spares funding overall has increased almost 160 percent from fiscal year 1980. Within that amount support for new weapons systems has grown more than 400 percent compared to less than 50 percent growth in funding for existing weapon systems. The spares availability has not, in fact, been getting worse but has improved. Overall, the SMA (Supply Material Availability) has improved for ships spares from 72.4 percent in fiscal year 1980 to 75.1 percent in fiscal year 1983. The largest part of this increase is attributable to the improvement in SMA for shipboard depot level repairables, which were transitioned from appropriated to stock fund financing in fiscal year 1981. This change has resulted in the establishment of fiscal accountability in the fleet and has yielded an increase in SMA from less than 60 percent in fiscal year 1981 to more than 75 percent today. Because of this change, material availability improvement is expected to continue even as the Navy expands to 600 ships. Future ship operation fund requirements are commensurate with new ship introductions to the fleet.

DDG-51

Senator LEVIN. Admiral Watkins, the only major new procurement item in the fiscal year 1985 shipbuilding budget is the lead ship of the DDG-51 class guided missile destroyer, billed by the Navy as a repacement for the 23 *Adams* class and 10 *Coontz* class guided missile destroyers. Long lead money for this ship was provided in the fiscal year 1984 appropriation. What are the relative costs of the *Burke* and *Kidd* class?

Admiral WATKINS. If both ships were built in the same period, the average cost for the *Burke* class would be approximately 10 percent to 15 percent higher than the *Kidd* class. If the *Kidd* class is upgraded to a New Threat Upgrade (NTU) configuration, as planned for the current ships of that class, costs would be equal to or slightly less than the *Burke* class. Even in this upgraded configuration the *Kidd* class would still have significantly less capability.

Senator LEVIN. Why not buy more destroyers of the highly effective *Kidd* class?

Admiral WATKINS. The *Kidd* class combat system as it exists today or with the New Threat Upgrade (NTU) is not effective across the full threat spectrum of the 1990's and beyond. The current system is the same as that in the *Virginia* class nuclear cruiser and is based on 1960's technology. Defeating these threats requires the detection capability, reaction time, magazine capacity and greater inherent survivability features found in the *Arleigh Burke* combat system at a comparable price.

Senator LEVIN. What drives the cost of the *Burke* class destroyer?

Admiral **Watkins**. The average cost of ships 6 through 10 is estimated at $700M in fiscal year 1983 dollars. About one half the cost is for ordinance and electronics equipment for the combat system, while about half is attributable to actual ship construction. The first ship cost is higher, as it includes non-recurring costs generally associated with ship class introduction. Some examples are: new equipment production start-up costs, shipbuilder preparations, first detail design drawings, first item systems engineering, first ship test program (usually longer at every tier of testing), initial spares buys, and introductory crew training.

Senator **Levin**. The projected number of battle group escorts (97) is well below advertised 600 ship Navy requirements (135–150). What new building program is planned to provide the extra numbers?

Admiral **Watkins**. To support the 600-ship Navy, we require 141 battle group capable surface ships. This includes 4 battleships, 33 guided missile cruisers, 67 guided missile destroyers and 37 destroyers. The 97 battle group escorts noted in the summary of forces table of my statement represent onboard assets and do not include the remaining two battleships, twenty-six CG 47 class cruisers or the 29 DDG 51 class guided missile cruisers which we will require. One CG 47 class, the USS *Ticonderoga*, has been delivered and is included in the force count. An additional 12 CG 47 class have been appropriated. A second battleship, the *Iowa*, has also been appropriated as has long-lead funding for the third battleship and the lead ship of the DDG 51 class. Because of the approaching block obsolesence of the DDG 2 and DDG 37 classes, unless we begin construction of the DDG 51 class in fiscal year 1985, we will experience a serious degradation of our capability to conduct assigned missions by the early 1990's. It is imperative that the Congress support the DDG 51. Without that ship, our entire maritime strategy will be in doubt in years to come.

Senator **Levin**. Does the *Burke* class help the Navy become less dependent on its carrier air wings?

Admiral **Watkins**. *Arleigh Burke* destroyers will augment carrier air AAW capabilities. Certain incoming air threats will be controllable without air wing launch and others will be more efficiently engaged by those air wings. In addition, since her Aegis, AN/SPY–1D phased array radar gives a better air picture, false alert CAP launches can be reduced. This capability is being demonstrated daily off the coast of Lebanon, where the Aegis cruiser USS *Ticonderoga* has reduced CAP launches from 1 per hour to 1 in three months. Second, *Burke* destroyers will augment carrier strike capability with her Tomahawk missiles. This will reduce Battle Groups dependency on carrier air as its only strike arm. For anti-ship operations, *Arleigh Burke* will have Tomahawk and Harpoon anti-ship missiles further reducing dependency in carrier air wing.

U.S. SEALIFT CAPABILITIES

Senator **Levin**. Considering the extreme environmental conditions in the arid oil producing states of the Middle East, do you consider U.S.-flag tanker assets for carriage, storage, and delivery of fresh water to be adequate? Would you like to see expanded private sector capabilities in this area?

Secretary **Lehman**. The Navy currently has a tanker with about 9 million gallons of fresh water prepositioned with the NTPF in Diego Garcia. In addition, the combined military services currently have the capability of manufacturing over 10 million gallons of fresh water daily using tactical reverse osmosis water purification units. These units produce potable water using virtually any source including sea water. By fiscal year 1989, the program will have grown to over 50 million gallons per day. As the program grows, our dependence on tanker provided water will be eliminated probably in fiscal year 1986. This obviates the need for expanded private sector capabilities in this area.

Senator **Levin**. Maritime Administrator Harold Shear, discussing the usefullness of the National Defense Reserve Fleet has said that he had little confidence in the reliability of those vessels as sealift assets. Do you agree with his assessment?

Secretary **Lehman**. The Reserve Fleet consists of the Ready Reserve Fleet (RRF), which is funded by the Navy and is a part of the National Defense Reserve Fleet (NDRF).

The RRF ships are relatively newer ships; they have been maintained in a status which will enable them to meet contingency requirements within 10 days. The other NDRF vessels are generally old Victory ships of questionable utility, except in limited applications. A recent study of these Victory ships did conclude that they were being maintained with virtually no internal deterioration since their lay up.

RESERVE F/A-18

Senator **Levin.** Secretary Lehman for 2 years you have talked about the concept of "Horizontal Integration of hardware into the Naval Reserve, a concept that, as far as I can tell, has excited the Naval Reservists with the prospect of gaining a significant amount of modern aircraft and equipment into their inventory. The "Showpiece" or "window dressing" of that concept, the 1984 introduction of the F/A-18s into the Naval Reserve, was enthusiastically received by the Naval Air Reserve TACAIR community. You and Admiral Watkins successfully argued to the authorization conferees last year against any, F/A-18s into the Naval Reserve until all active duty requirements were fulfilled.

I now hear reports that in spite of the fact that a Naval Reserve unit has completed transition into the F/A-18 Hornet, the squadron will not receive any F/A-18 aircraft until 1987.

If those reports are true, Mr. Secretary, why has this decision been made and why at such a late date after much of the transition is completed?

Secretary **Lehman.** The latest Reserve modernization decision does not affect the transition. VFA-303 was established on 1 January 1984. To insure proper phasing of our F/A-18 force with deploying carriers and to expedite the integration of this multi-mission strike aircraft into the Reserve force, squadron members will train and operate in VFA-125's F/A-18 aircraft until receiving their own in 1986.

RESERVE F/A-18 ASSIGNMENT POLICY MODIFICATION

Senator **Levin.** What is your evaluation of the effects of this decision on the Naval Reserve community and the active Navy's credibility in that community?

Secretary **Lehman.** The decision to modify the assignment schedule of F/A-18 aircraft to VFA-303 affords the Navy the best opportunity to put additional active force F/A-18 squadrons to sea in a more compressed timeframe. At the same time, we are able to commence transition training of Selected Reservists in the aircraft. As evidence of the Navy's commitment to modernization of the Reserve tactical air squadrons, we are accelerating by three years, the modernization of two light attack squadrons to the A-7E, and transitioning VF 301 to F-14s beginning this year. By the end of the decade we will have two reserve air wings that are equipped with the latest modern equipment and will be completely compatible with our active duty carriers.

RESERVE F/A-18

Senator **Levin.** What if any aircraft will be substituted for the F/A-18 and when will the substitute aircraft be assigned to the transition squadron?

Secretary **Lehman.** No aircraft will be substituted. As mentioned previously, VFA-303 will fly and train in VFA-125's F/A-18 aircraft until receiving their own in 1986.

F/A-18 RESERVE TRANSITION

Senator **Levin.** What will become of the aircrew and maintenance personnel who have already completed the extensive training involved in the transition? How will their recently acquired skills be used?

Secretary **Lehman.** These personnel have been assisting as instructors and as maintenance personnel. They have been coordinating the formulation of a transition syllabus for all Selected Reserve squadron members. They will provide the nucleous of F/A-18 expertise to ensure the safe and effective operation of the VFA-125 aircraft by VFA-303.

NAVAL RESERVE GROWTH

Senator **Levin.** Admiral Watkins, on page 37 you indicate that the Navy has made significant strides lately in improving strength and in modernizing the Naval Reserve. My perception is that Congress has initiated most of the improvements in modernization of the Naval Reserve, particularly in the surface Reserve, and has directed and funded increases in the Naval Reserve strength over the past seven or eight years over the objections of OSD and the Navy. I am pleased to see the emphasis being focused on the Naval Reserve at this point. The Navy has been the slowest of the Services to acknowledge the value and economic advantages of increased utilization of its Reserve resources. I only hope the increased interest in the Naval Reserve continues as I'm sure it will as long as both you and Secretary Lehman are on board in your present status.

You say that the Naval Reserve strength is increasing as fast as can be expected. Upon what do you base this assumption?

Admiral WATKINS. We plan to increase our fiscal year 1983 end strength of 97,064 to over 127,000 by the end of fiscal year 1988, an ambitious 32 percent increase in only five years. In addition, we intend to increase the full time support strength, our TARs, by almost 6,000, a 51 percent increase, during the same period to man NRF ships and air squadrons and provide increased support to Reservists in the field. A new non prior service Sea and Air Mariner program was instituted this fiscal year to fill our vacant E4 and below Selected Reserve mobilization billets. Plans are under development for both Selected Reserve and TAR Ensign accession programs. As you can see, this is a comprehensive growth plan which will require innovative management by Navy and support from the Congress. The Center for Naval Analysis is producing a Reserve attainability projection model which will give us a better basis for goaling, but their preliminary results support our position that the Naval Reserve strength is increasing as rapidly as possible under current conditions.

NAVAL RESERVE DEMOGRAPHIC STUDY

Senator LEVIN. Have you conducted a demographic study from which your Naval Reserve " trength plan" has evolved?

Admiral WATKINS. A demographic study is in progress and will be completed in mid 1984.

SELRES MANPOWER FOR ADDITIONAL TASKS

Senator LEVIN. Have you initiated a program to build up to your present and projected Reserve requirements as rapidly as possible in order to be able to assign more tasks to the Naval Reserve as your active/reserve mix studies progress?

Admiral WATKINS. Yes, my recent fiscal policy guidance directs attainment of the Nammos validated mobilization force levels by fiscal year 1987 except for the Medical support personnel where Nammos attainment should occur in fiscal year 1988. We are expanding the Naval Reserve Force as rapidly as feasible. I emphasize the term "feasible" because we are very much aware of the need to maintain the quality level of our veteran accessions and to develop the school pipeline necessary to train our non-prior service personnel.

FISCAL YEAR 1985 AND OUTYEAR PLAN

Senator LEVIN. What is your fiscal year 1985 and out year plan for additional Naval Reserve recruiters to enable you to reach the required Naval Reserve strength?

Admiral WATKINS. In order to reach the required Naval Reserve strength the following additional recruiters are programmed for the Naval Reserve. The base is 542 recruiters. (Figures are cumulative)

	Fiscal year—				
	1985	1986	1987	1988	1989
Additional	299	319	330	330	330
Base	542	542	542	542	542
Total	841	861	872	872	872

MEETING NAVAL RESERVE REQUIREMENTS

Senator LEVIN. Will you reach your Naval Reserve requirements sooner than you had planned last year at this time?

Admiral WATKINS. We do not anticipate reaching our out year Selected Reserve requirements any sooner than we had planned last year, primarily because the Nammos requirements have increased by approximately 3,000 billets since then. We have, however, accelerated our end strength goal for fiscal year 1984 by over 5,000 and almost 4,000 for fiscal year 1985 over what we had planned last year. We are attempting to take maximum advantage of today's recruiting and retention climate.

READINESS DEFICIENCIES IN THE NAVAL RESERVE

Senator LEVIN. Admiral Watkins, you have said that the Navy has drafted a comprehensive plan to correct the equipment and readiness deficiencies in the Naval Reserve. Please provide that plan for the record, along with an implementation timetable and an identification of the funds programed in fiscal year 1985–1989 to implement it.

How much additional funding would be required in each year of the fiscal year 1985–1989 program to accelerate this plan by one year? By 2 years?

Admiral WATKINS. The U.S. Navy goal is to equip both its Active and Reserve components to full wartime requirements. The underlying policy is that units that fight first shall be equipped first regardless of component. At the same time, the Total Force readiness and peacetime deployment requirement must be balanced to insure an adequate crisis response capability. Equipment is distributed in a manner that insures organizational integrity, maintenance compatibility, supply support and fleet interoperability. The U.S. Navy plan to modernize and correct Naval Reserve equipment deficiencies is beginning to show some very positive results. The initiatives outlined in this response are those that have been planned for at least a few months. There are several other initiatives that are still in the formative stage. Most of these new inititatives will be reported in the U.S. Navy Active/Reserve mix study report to Congress, "A Report to the Congress on The Navy's Total Force, February 1984".

Navy's fiscal year 1985 budget reflects the following accomplishments with respect to Naval Reserve forces:

Upgrading/Horizontally Integrating Reserve Aircraft, especially F/A–18, F–14, C–9, E–2C and A–7E.

Introducing LAMPS MK I anti-submarine fleet helicopter to the Reserve by transitioning two squadrons to SH–2F by 1985.

P–3A/B aircraft are being upgraded to provide a significant capability against the threat of the 1980s and early 1990s.

Creating Aircraft Squadron Augment Units (SAUs) to allow active and Reserve aircrews to operate more closely and in the same type aircraft crews would fly when mobilized. Navy's program funding grows over 500 percent toward this effort.

Increasing Flying Hour Program. Reserve flying hour program was increased in fiscal year 1985 by $24.9 million to improve Naval Air Reserve aircrew readiness.

Improving Reserve Aircraft Rework. An additional $38.4 million was budgeted to prevent a Naval Air Reserve Aircraft maintenance backlog.

Modernizing Naval Reserve Force (NRF) Ships by transferring active fleet frigates (FF) and guided missile frigates to the Reserve. The six FF's in the NRF in fiscal year 1983 will grow to 24 FF/FFGs by 1988; funding increases four-fold from $93.5 million in fiscal year 1983 to over $400 million by fiscal year 1989.

MCM and MSH ships are programed to replace the aged MSOs in the mine warfare force.

Improving Ship Operations and Maintenance. $25.4 million is added to the fiscal year 1985 budget for additional support for the NRF.

Creating a Craft of Opportunity Program (COOP), a mine countermeasures force enhancer, which will grow to 22 boats by 1988. A total of $26.8 million is programed for this program.

Increasing Equipment and Billets in Reserve Naval Construction Battalions (RNCBs) and Cargo Handling Battalions (RCHB), with RCHB's doubling from six to twelve by fiscal year 1988.

Equipment for mobile diving and salvage units is procured.

Doubling the Reserve Medical program over the period fiscal year 1983 to fiscal year 1985, to 13,000 doctors, nurses and corpsmen.

Initiated the Sea/Air Mariner (SAM) program to rapidly fill the Reserve need for lower rated enlisted personnel. The Navy's program includes $274.8 million in the five year program for this important Reserve initiative. The fiscal year 1985 budget adds $3.2 million to support an aggressive SAM accession recruiting plan.

Specific information relative to the plan follows:

Naval Air Reserve (NAR)

A number of programs are in progress to modernize the Reserve aircraft inventory. The P–3A/B aircraft are being upgraded with the Tacnavmod and triple vernier equipment to provide a significant capability against the threat of the 1980's and early 1990's. Sufficient funding has been identified to provide for the total Reserve requirement for Tacnavmod. The tactical air wings are being modernized at an accelerated rate by the program of Horizontal Integration, equipping both Reserve and active squadrons with similar front line aircraft. Examples are the E–2C, A–7E, F/A–18, and F–14 programs.

Longer term modernization of the Naval Air Reserve has been initiated. Two anti-submarine helicopter squadrons now flying the SH–3D are planned to transition to the follow-on ASW helicopter in the mid 90's. The fiscal year 1985 procurement of SH–2F will complete a buy of LAMPS MK I aircraft to provide 3 squadrons to 8 aircraft each in support of the Reserve frigate program.

The logistics support capability is being modernized by the additional procurement of 10 used DC–9 aircraft to replace the retiring C–118 aircraft. Navy plans to minimize DC–9 lease and complete the buy of used DC–9's in fiscal year 1985.

The following programing and distribution plans show numbers of squadrons.

RESERVE FORCES
PROGRAMMING AND DISTRIBUTION PLAN
MARITIME PATROL SQUADRONS

	83	84	85	86	87	88	89	90
VP SQDNS								
P-3A/B	8	6	4	0	0	0	0	0
P-3A/B TACNAVMOD	5	7	7	11	10	8	4	0
P-3A/B TNM/3V	0	0	2	2	3	5	9	13

TACTICAL AIR WINGS
SQUADRONS

	MISSION	83	84	85	86	87	88	89	90	91	92	93
VF/VFA SQDNS	F-4N	2	0	0	0	0	0	0	0	0	0	0
	F-4S	2	4	3	2	2	2	2	2	2	0	0
	F/A-18	0	0	0	0	0	0	0	0	0	2	2
	F-14	0	0	1	2	2	2	2	2	2	2	2
VA/VFA SQDNS	A7B	6	4	4	3	2	2	0	0	0	0	0
	A7E	0	1	1	2	2	2	2	2	2	0	0
	F/A-18	0	1	1	1	2	2	4	4	4	6	6
VAW SQDNS	E-2B	1	1	1	1	1	0	0	0	0	0	0
	E-2C	1	1	1	1	1	2	2	2	2	2	2
VFP SQDNS	RF-8G	2	2	2	2	2	2	2	2	2	2	2
VAK SQDNS	KA-3B	2	2	2	2	2	2	2	2	2	2	2
VAQ SQDNS	EA-6A	2	2	2	2	2	2	2	2	2	2	2

FLEET LOGISTIC SUPPORT WINGS
SQUADRONS

		83	84	85	86	87	88	89	90	91	92	93
VR SQDNS	C-118	3	2	0	0	0	0	0	0	0	0	0
	C-131H	1	1	1	1	1	1	1	1	1	1	1
	C-9	7	8	11	11	11	11	11	11	11	11	11
VC SQDNS	TA4J/E/F	2	2	2	2	2	2	0	0	0	0	0
	A4M	0	0	0	0	0	0	2	2	2	2	2

HELICOPTER WING
SQUADRONS

		83	84	85	86	87	88	89	90
HS SQDNS	SH3D	4	3	2	2	2	2	2	2
HSL SQDNS	SH2F	0	1	2	3	3	3	3	3

The Navy does not report separately the costs to procure aircraft for the Reserve force. Funding presented for the F/A–18, E–2C, and SH–2F programs are procurement costs prorated for the number of aircraft to be assigned to the Reserve force. Costs are displayed in constant fiscal year 1985 dollars. The F–14 costs are estimates for initial spares and organizational level maintenance equipment. The F–14 program is still in the initial planning phase and all costs are not yet estimated or programed. The C–9 program is expending funds to procure and modify used DC–9's for service in the Naval Air Reserve.

FUNDING (FY-85 $ in M's)

	85	86	87	88	89
FIGHTERS					
CURRENT PROGRAM					
F-14	68.6	68.6	0	0	0
F/A-18	0	0	0	0	0
ACCELERATE 1 YR					
F-14	68.6	68.6	(ACCELERATION NOT POSSIBLE)		
F/A-18	0	0	0	0	795
ACCELERATE 2 YR					
F-14	68.6	68.6	(ACCELERATION NOT POSSIBLE)		
F/A-18	0	0	0	795	0
ATTACK					
CURRENT PROGRAM					
F/A-18	397	0	795	0	0
ACCELERATE 1 YR					
F/A-18	397	795	0	0	795
ACCELERATE 2 YR					
F/A-18	1192	0	0	795	0
AEW					
CURRENT PROGRAM					
E-2C	0	224	0	0	0
ACCELERATE 1 YR					
E-2C	224	0	0	0	0
ACCELERATE 2 YR					
E-2C	224	(2 YR ACCELERATION NOT POSSIBLE)			
SUPPORT					
DC-9	33.9	(ACCELERATION NOT POSSIBLE)			
ANTI-SUBMARINE					
CURRENT PROGRAM					
SH-2F	71.4	(ACCELERATION NOT POSSIBLE)			

NAVAL RESERVE SURFACE FORCES

COMBATANT FORCES

Naval Reserve Force (NRF) combatant forces total 6 F-1052s, 1 FFG and 1 DD. The average age of the FF-1052 is 12 years. The FFG is 4 years old and the remaining DD (USS EDSON) is 25 years old. FFs are fleet compatible ships and will participate in the Fleet Modernization Program (FMP) along with their fleet counterparts. NRF FF-1052 combatants have an average of 50/50 percent active/Selected Reserve crew, and the FFG-7s will have a 60/40 percent active/Selected Reserve mix. NRF combatants do not deploy overseas. They are under Fltcinc control and are used to meet Fltcinc commitments during underway training of Selected Reservists. NRF combatants are scheduled to receive LAMPS MKI units with stand up of the first Naval Reserve LAMPS squadron in fiscal year 1984. Plan is to grow to a total of 24 FF/FFG's by 1988. Scheduled growth is:

	1983	1984	1985	1986	1987	1988	1989
FF-1052	6	6	6	6	7	8	8
FFG-7		3	5	9	12	16	16
DD-946	1	1	1	1	1	1	1

Accelerated plan

The NRF ASW Frigate Plan approved in 1981 provides for the orderly transfer of the ships into the NRF as facilities and manpower become available to support the requirement. The plan is to homeport these modern ships in other than Navy homeports where dedicated maintenance and pier facilities are not readily available. The money required to build and upgrade facilities has been programed across the FYDP to support the plan. If additional funds were provided, it would not be feasible to complete the required support base because of construction time requirements. Additionally, part of the NRF is also coupled to the Navy's strategic homeporting plan which will be phased in over the FYDP. To provide trained Selected Reserve manpower to these sophisticated platforms, a 2-year pre-arrival crew training plan has been implemented. This will provide well trained personnel to the platform immediately upon transfer of the ship to the NRF. The shipbuilding program allows Navy to maintain an acceptable deployment turnaround ratio goal of 2:1 as new ships enter the force, thereby allowing us to build the NRF. In summation, acceleration of FF/FFGs into NRF would impact; pier and facilities construction, adequate recruiting and training of crews, and deployment turnaround ratio of 2:1 for the active force and, therefore, is not recommended. This program has been expanded by the addition of 2 more FFG–7s in 1990 for a new total of 26 frigates.

MINE COUNTERMEASURE (MCM) FORCE

NRF MCM Force presently includes 18 MSO ships. Average age of the force is 28 years. Parts and equipment maintenance associated with age continue to affect these older generation ships. The MSOs are scheduled to be phased out as follows:

	1983	1984	1985	1986	1987	1988	1989
MSO's	18	18	17	17	13	9	5

With the decrease in NRF MSO force, Navy will transfer Mine Countermeasures Ships (MCM) and Mine Sweeper Hunters (MSH) to the NRF as follows:

	1983	1984	1985	1986	1987	1988	1989
MCM				1	3	8	8
MSH						1	2

Accelerated plan

The force level of the MCM is directly coupled with the phase-out of the MSOs and the phase-in of the MCM/MSH assets. These new ships will be brought into the active force for about 1 year then transferred to the NRF. Any earlier phase-out of the MSOs would require an increase in the SCN account to bring the MCM/MSHs into the fleet earlier. Conversely, if production of the MCM/MSH is allowed to slip, the MSOs will have to be retained beyond the current schedule.

In addition to rebuilding of the MCM force, the Naval Reserve has been tasked to explore a high leverage program to assist in coastal MCM defense. The Craft of Opportunity Program (COOP), allows for use of small commercial/Seamanship training (YP) craft outfitted with MCM gear, such as side scanning sonar and sweep gear. Presently, the COOP program is under development. Plan is to grow in accordance with the below profile. Vessels will be used as training/operational craft at preselected ports.

	1985	1986	1987	1988	1989
YP/trawler	6	12	18	22	22

The COOP program which has just been approved is scheduled for implementation in fiscal year 1985 in a phased plan. The YPs to be used as training craft for COOP will not be available until 1985 and 1986. Once these craft are received, the training can be conducted while performing channel conditioning and route surveys. Without the craft, only a marginal benefit would be obtained by earlier implementation and, therefore, is not recommended.

AMPHIBIOUS FORCES

The NRF Amphibious Forces includes two LST Newport class ships. One is assigned each coast. Both ships are compatible with fleet ships in equipment and will undergo regular scheduled Fleet Modernization Plan (FMP).

MOBILE LOGISTICS FORCE

The NRF Mobile Logistics Force is composed of 2 ARS's and 4 ATF's. The ARS ships are scheduled to be phased out by end of fiscal year 1985. Transfer of the more modern ARS–38 class to the NRF is currently under consideration. The ATF vessels will be phased out by end of fiscal year 1984.

DIRECT SUPPORT UNITS

Mobile inshore undersea warfare (MIUW)

The Navy's NIUW capability resides wholly in the Naval Reserve. Presently, there are sixteen units with an inventory of 12 TSO–108 vans. An additional 4 vans will be delivered by end of fiscal year 1984. The existing vans are of 1960 vintage and require modernization. These vans are scheduled to be back fitted with the more capable AQA–7 sonar indicator set.

Resources to support this backfit are programmed as follows:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	800	2,300	1,100	600	0
Accelerated 1 yr. plan	1,000	2,500	1,300	....	....
Accelerated 2 yr. plan	1,650	3,150	....	....	....

Programing for consumables of existing vans (spare parts, etc.) has been provided as follows:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	1,540	1,509	1,403	2,145	2,225
Accelerated 1 yr plan	2,096	2,065	1,956	2,701	....
Accelerated 2 yr plan	2,996	2,965	2,859	....	....

Special boat units

The Naval Reserve has four special boat units which had a combined small boat inventory of 66 craft at the end of fiscal year 1983. This is an increase of 12 boats over fiscal year 1982. These new boats are 36′ Sea Fox class craft that are also being introduced into the fleet. Plans do not include further addition of Sea Fox craft to the Naval Reserve.

Accelerated plan

None required.

Reserve Naval Construction Force (RNCF)

The RNCF is composed of 17 Battalions, 8 Regiments, 2 Brigades, 2 Construction Force Support Units (CBFSU) and 2 Maintenance units. The total Prepositional War Reserve Stock (PWRS) requirement for the RNCF units is $574.3M; stock on hand is $321.1M; the deficiency is $253.2M. After execution of the fiscal year 1985 plan the RNCF will be able to fully outfit three Construction Battalions for full mobilization. Approximately five more battalions can be outfitted with 80 percent or more of required Civil Engineering Support Equipment but are deficient in Communications, Camp Collateral equipment, Materials Handling Equipment and Construction Tools/Kits. Service planning has provided the following funding to partially resolve the RNCF equipment deficiencies.

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	2,597	21,523	0	11,034	19,445
Accelerated 1 yr plan	2,599	21,523	11,034	19,945	27,700
Accelerated 2 yr plan	9,078	28,804	17,515	27,700	27,700

Reserve cargo handling battalions (RCHB)

Naval Reserve presently has 6 RCHB's. RCHB's are equipped with training equipment but lack mobilization equipment. There is sufficient equipment to outfit one battalion. Equipment deficiencies are in Material Handling Equipment (forklifts; electric, gas, diesel), floodlights/generators, tools, personnel clothing, Chemical Biological Radiological (CBR) equipment, etc. RCHB shortfalls have been addressed in POM–85. Programed funding has been provided as follows:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	2,187	5,244	0	0	4,688
Accelerated 1 yr plan	2,187	5,244	4,688	5,000	0
Accelerated 2 yr plan	3,853	6,910	6,354	0	0

Funds programed will provide sufficient equipment to fully outfit five battalions by fiscal year 1989.

AUGMENT FORCES

Naval beach groups

Naval Reserve Naval Beach Groups augment active forces. As such, they have shortages in mobilization and training equipment. Shortages include 2 LCUs, 3 LCM–8s, 2 LCM–6s, communications hardware, maintenance equipment, tools, spare parts, bivouac facilities, CBR equipment, damage control equipment, safety equipment, and foul weather equipment. With a funding shortfall of $16.9M, the Navy has planned and programmed Naval Reserve Beach Group equipment as follows:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	12,110	1,200	1,200	1,200	1,200
Accelerated 1 yr plan	12,410	1,500	1,500	1,500	0
Accelerated 2 yr plan	12,910	2,000	2,000	....	....

Naval special warfare (Seals)

Special Warfare has equipment deficiencies in the area of personnel diving equipment, Zodiac boats and motors, medical supplies, weapons, etc. Congress appropriated $1 million in 1984. Navy has planned and programed funds in the Special Warfare program commencing in fiscal year 1985 as follows:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	1,265	1,690	1,153	1,204	1,244
Accelerated 1 yr plan	1,576	2,001	1,464	1,515	....
Accelerated 2 yr plan	2,081	2,505	1,969	....	....

Funding will provide for equipment deficiencies in the Special Warfare program.

Mobile diving and salvage (MDSU)

MDSU units are deficient in areas of diving equipment. Equipment shortfalls are extensive in scuba equipment, surface dive equipment (compressors, hose assembly), medical equipment, personnel support equipment, salvage support equipment, support boats, plumps and hand tools. Total funding shortfalls are $1.7M. Navy has planned and programed to correct existing deficiencies with the following POM-85 funding:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	379	385	391	199	250
Accelerated 1 yr plan	441	447	453	261	......
Accelerated 2 yr plan	529	535	541	......	......

Funds provided will fill most known deficiencies for the MDSU organization.

Explosive ordnance disposal (EOD)

The Naval Reserve Explosive Ordnance Disposal equipment deficiencies total $14.2M. Shortages are in underwater ordnance location systems, diving equipment, support boats, CBR equipment, demolition hardware, and training supplies. Navy has planned and programed the following to support the NR EOD program: program:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	700	1,000	2,700	3,700	4,700
Accelerated 1 yr plan	1,700	2,700	3,700	4,700	....
Accelerated 2 yr plan	3,266	4,266	5,266	....	....

Fiscal year 1985 funding will provide for outfitting of present personnel with minimum of underwater ordnance location systems, diving suits, diving gear, explosive ordnance equipment and other training equipment required by the Naval Reserve.

Ship intermediate maintenance activity (SIMA)/Navres maintenance facility (NRMF)/Navres maintenance training facility (NRMTF)

The SIMA program was established to provide augmentation in support and repair of USN ships and to provide intermediate and certain organizational maintenance and support of the NRF FF/FFG Program. The NRMTF program has a shortfall of $101.5K in material handling equipment (forklifts and pallet jacks), minor shop and industrial plant equipment. Industrial plant equipment requirements are for welding, electrical, sheet metal and engine shop equipment, hand tools and non-destruct testing equipment. Minor shop equipment is for grinders, valve resurfacing sets, work benches, voltmeters, etc. Program funding requirements will be addressed in POM-86.

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	0	0	0	0	0
Accelerated 1 yr plan	370	290	95	170	90
Accelerated 2 yr plan	370	290	185	170	....

Advance supply base material handling/fuel tank farms

The Naval Reserve has structured several Naval Reserve units to cover part of the advance base requirements identified by the CINCs. Units under this category will provide storage, handling facilities, transportation, and fueling capabilities for fleet units. For Naval Reserve units now structured, Navy has identified the need to provide for administrative supplies, CESE (trailer/trucks, forklifts, saddle trucks, crane) generators, pumps valves, damage and safety control equipment, small hand tools, etc. Navy has planned and programed the following:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	43	330	2,415	....	....
Accelerated 1 yr plan	373	2,415	....	....	....
Accelerated 2 yr plan	1,538	1,249	....	....	....

Funding will provide mobilization equipment to meet the needs of structured Naval Reserve units.

Security Group

Security Group equipment is located at 80 Naval Reserve sites. Equipment at all sites requires modification and modernization to state-of-the-art. Equipment located at sites include receivers, teletypes and antennas. Navy has been modernizing the Naval Security Group sites over past several years. Continued emphasis is being placed on the program to modernize all sites to state-of-the-art RACAL receivers, Model 40 teletypes, and modern antennas. Funding programed to meet the modernization plan is:

[In thousands of dollars]

	1985	1986	1987	1988	1989
Plan	419	1,577	460	1,222	2,243
Accelerated 1 yr plan	979	2,137	1,020	1,782	....
Accelerated 2 yr plan	1,574	2,732	1,615	....	....

In addition to the modernization of sites, the Naval Security Group command is planning on transferring four mobile COMSEC monitoring vans to the Naval Reserve. These vans will transition at the rate of one per year commencing in 1985.

DC-9 PROCUREMENT PLAN

Senator LEVIN. Admiral Watkins, in fiscal year 1984, the Navy was appropriated funds to complete the modernization of its Naval Reserve Airlift Squadrons through procurement of new or used C-9/DC-9 type aircraft. Any deficiencies between the funds appropriated and the funds needed to complete this job in fiscal year 1984 were to be made up through a reprograming request, according to congressional direction.

What is the status of this program, and when is the Navy going to aggressively implement it as Congress directed? What is the procurement plan for this program?

Admiral WATKINS. Navy is aggressively implementing plans to procure 10 used DC-9 aircraft to complete its Naval Air Reserve airlift modernization. In a letter dated August 30, 1983, RADM R. F. Dunn (then Commander, Naval Reserve Force) notified the chairman of the House and Senate Armed Services and Appropriations Committees, of his intent to use $14.1M of fiscal year 1983 Reserve equipment funds to purchase two used DC-9's. A request for proposal (RFP) for those aircraft has been released. Aircraft offered as a result of this solicitation are being evaluated by Navy. Additionally, another request for proposal dated January 30, 1984, has been released for incremental purchase of used DC-9's with fiscal year 1984 funds provided by Congress. Additional RFP's will be issued at approximately ninety day intervals until program requirements can be satisfied. We have identified funds in our fiscal year 1985 request to insure our ability to fully execute the purchase plan. Navy has every intention of procuring modern transport aircraft to replace our C-118's as rapidly as the procurement process and the market for used aircraft will permit.

ALTERNATE PORTS FOR AUTOMOBILE SHIPMENTS

Senator LEVIN. Why have you made the policy decision for the Department of the Navy to subsidize the purchase of Japanese-made automobiles at a time when my State of Michigan is still suffering record unemployment and the U.S. automobile industry is still trying to recover from the worst slump in its history?

Secretary LEHMAN. The Department of the Navy has made a policy decision which continues to provide a benefit for our service members serving in Japan and Singapore equivalent to that provided to members stationed elsewhere overseas. Personnel ordered to these areas incur several unreimbursed expenses. Specifically, they are precluded from taking their automobiles to Japan or Singapore. The cost of storage or the loss through sale is not reimbursed. Once in the overseas area, they buy automobiles conforming to the local automobile standards thereby incurring a second expense. Upon departure, from the overseas area, they must sell the automobiles they used as these automobiles do not conform to United States' standards and they incur the expense associated with the loss on the sale. To mitigate these expenses, the policy of permitting these service members to ship a vehicle—regardless of whether United States or foreign manufacture—from Guam has been continued. This policy precludes use of Guam as an alternate port by personnel stationed outside of Japan and Singapore. The Government pays only the shipping cost that would have occurred had the vehicle been shipped from the port serving the overseas station. Any excess cost is paid by the service member.

Senator LEVIN. Why would you construct your policy so as to benefit only some U.S. service personnel and not others, especially when those to whom you are giving the benefit are buying Japanese cars, and those to whom you are *not* giving the benefit are the purchasers of American-made cars?

Secretary LEHMAN. The Department of the Navy's policy is constructed to benefit any member serving in Japan and Singapore. If a member decides to purchase a vehicle from a Guam automobile dealer, that service member may receive the partial shipping benefit equating to the cost of shipping the vehicle from the port normally servicing the member's overseas station. Service members serving in areas other than Japan and Singapore do not face the same set of circumstances and have therefore been precluded from using Guam as an alternate port.

Senator LEVIN. Please explain fully the rationale for designating Guam as an "alternate port" for the shipment of Japanese-made vehicles sold to members of the Armed Forces serving in Japan and Okinawa.

Secretary LEHMAN. Guam has been designated as an alternate port for the shipment of an automobile—regardless of manufacture origin—for personnel assigned to Japan (including Okinawa). These personnel may not ship their automobiles to their overseas assignment areas, making vehicle sale or storage at personal expense necessary. The automobiles they purchase in Japan/Okinawa for use while serving there cannot be shipped to the United States. The purchase and sale of the vehicle in the overseas area is a financial burden. To mitigate these financial burdens, these personnel are permitted to ship a car from Guam on their Permanent Change of Station orders from Japan/Okinawa. The cost to the Government is the cost that would have accrued by shipping the vehicle from Guam does not exceed the cost of shipping the vehicle from the port in Japan/Okinawa serving the service member's duty station.

Senator LEVIN. Is there any other case in which the Secretary has made a decision authorizing the blanket designation of a given place as an "alternate port" for shipment of foreign-made privately-owned vehicles? If so, what was the justification for such decision?

Secretary LEHMAN. Yes, personnel stationed in Singapore face the same financial burdens (e.g., storage or sale of their car at personal expense before going overseas, purchase and selling of a vehicle at the overseas station before departure) as do personnel stationed in Japan. Use of Guam as an alternate port entitles these service members to shipment at Government expense (not to exceed the cost of shipment from Singapore) of one vehicle.

GUAM ALTERNATE PORT

Senator LEVIN. It was our understanding that the DOD Per Diem Committee on December 15, 1983, issued a decision which was reported to Members of Congress as "tightening" the Joint Travel Regulations by withdrawing from local commanders the authority to designate Guam as an "alternate port" on a case-by-case basis. Since that time, however, each of the Secretaries of the respective services has issued blanket instructions designating Guam as an "alternate port" for all those stationed in Japan and Okinawa. Please provide us with an estimate of the consequence (1) in cost to the U.S. taxpayer, and (2) in numbers of Japanese-made vehicles that are projected to be shipped by the Government by virtue of the "tightening" of the JTR's, at least as such figures relate to Japanese-made automobiles purchased by U.S. Service personnel stationed in Japan and Okinawa.

Secretary LEHMAN. (1).

Estimated Shipment Costs (FY 84)

From Guam to the West Coast

	(1)	(2)	(3)	
Ocean Shipment:	(9)	(700)	($124.85) =	$786,555
Port Handling Origin	(9)	(700)	($ 16.68) =	$105,084
Port Handling Dest:	(9)	(700)	($ 11.00) =	$ 69,300
Documentation	(9)	(700)	($ 9.38) =	$ 59,094
Total Cost:				$1,020,033

From Guam to the East Coast

	(1)	(2)	(3)	
Ocean Shipment:	(9)	(200)	($159.45) =	$287,010
Port Handling Origin:	(9)	(200)	(16.68) =	$ 30,024
Port Handling Dest:	(9)	(200)	(18.66) =	$ 33,588
Documentation	(9)	(200)	(10.53) =	$ 18,954
Total Cost:				369,576

From Guam to Gulf Port

	(1)	(2)	(3)	
Ocean Shipment:	(9)	(100)	($249.00) =	$224,100
Port Handling Origin:	(9)	(100)	($ 16.68) =	$ 15,012
Port Handling Dest:	(9)	(100)	($ 18.66) =	$ 16,794
Documentation	(9)	(100)	($ 10.53) =	$ 9,477
Total Cost				$ 265,383
Grand Total Cost				$1,654,992

Notes:

(1) Average Measurement Tons/Vehicle
(2) Number of Vehicles to be Shipped in FY 84 (estimate)
(3) Cost/Measurement Ton

(2) It is projected that 1,000 Japanese-made vehicles will be shipped by members stationed in Japan/Okinawa using Guam as an aternate port in fiscal year 1984.

ALTERNATE PORTS FOR AUTOMOBILE SHIPMENTS

Senator LEVIN. What, if any, consideration has been given to alternatives other than the designation of Guam as an "alternate port?"

Secretary LEHMAN. The Department of the Navy has drafted legislation which, if enacted, would permit Government funded storage of an automobile when shipment to an overseas duty station is precluded. Enactment of such legislation would mitigate the expense of sale or storage of an automobile now borne by service members.

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

BASIC RESEARCH

Senator BINGAMAN. Mr. Secretary, the Office of Naval Research historically played a critical role in the support of scientific research in our Nation's universities. Following World War II, ONR was the first government agency to play a major role in building our university physical science and engineering departments and it can count many Nobel Laureates among those it supported in the 1950's and 1960's.

In looking at your fiscal year 1985 budget request for basic research, some $350 million, I do not see an effort on ONR's part to help rebuild our universities' physical science departments. This constitutes only 2 or 3 percent real growth over last year's level of funding when the overall Navy research budget and the Navy budget as a whole are growing 20 percent or more. The Navy funding level for basic research today is lower in real terms than it was in the early 1960's.

Why is higher priority not being given to basic research? Isn't this the foundation on which our technological edge over the Soviets is based? Couldn't the Navy be doing more to support graduate students in critical fields, to help replace the obsolescent instrumentation in many of our university laboratories. A relatively small amount of additional money for basic research could pay enormous dividends in the long run.

Secretary **Lehman**. The Office of Naval Research has underway a strong and continuing effort to promote growth in the technology base, and has devoted increasing emphasis to university support. In the overall Navy R&D budget, research real growth is programmed at 4.5 percent between fiscal years 1984 and 1985.

Navy is committed to doing its share in support of university science. In fiscal year 1985, 50 percent of the Navy 6.1 research budget request will benefit university researchers. An estimated $160 million will support research contracts at some 197 institutions. The Navy took the lead in developing a $3 million annual fellowship program, begun just last year, which will support 120 graduates in 1985. Proposals to upgrade university instrumentation are being funded at a $10 million level annually for five years. A new initiative, the Navy Bridges program, will bring together university faculty, students, and Navy laboratory personnel in cooperative research efforts. Through all these efforts, the Navy is providing for an impressive amount of commitment to our Nation's universities.

SEA-LAUNCHED CRUISE MISSILES

Senator **Bingaman**. Mr. Secretary, I have noted reports in the press that the Soviets will deploy the long-range SSN-X-21 submarine launched cruise missile in 1984. This will update shorter range SLCMs already in the Soviet inventory. We are similarly planning to place nuclear-armed Tomahawk cruise missiles on our attack submarines and our surface ships starting this year.

Aren't we going to be the loser in this race to deploy nuclear-armed cruise missiles at sea since so much more of our population and industry is located in coastal areas? Shouldn't we be trying to negotiate a ban on deployment of these missiles, including the on-site inspection provisions which would undoubtedly be required to make such a ban verifiable?

Secretary **Lehman**. The Soviet Union has for years enjoyed an effective monopoly on longer range sea-launched cruise missiles (SLCM), many with ranges currently capable of attacking all U.S. coastal targets. Soviet deployment of the SSN-X-21 cruise missile will add further to this capability. The U.S. Tomahawk program will help to redress this imbalance. Nuclear-armed Tomahawk cruise missiles (TLAM/N), dispersed on a variety of naval surface and subsurface platforms, provide a significant and visible deterrent to Soviet use of theater nuclear weapons. This raises the nuclear threshold and makes the possibility of nuclear war more remote.

A ban on the deployment of nuclear sea-launched cruise missiles raises significant verification issues. Although the U.S. has been willing to discuss such verification issues, the USSR has consistently refused to acknowledge these problems. In view of evidence of Soviet non-compliance on many existing arms control provisions, acceptable verification provisions to preclude circumvention, must be the foundation of any arms control provision dealing with cruise missiles.

ECX AIRCRAFT

Senator **Bingaman**. Last year the Navy was planning to purchase two ECX aircraft in fiscal year 1985. According to the last chart in your prepared statement, this procurement has now been delayed until next year when three aircraft are scheduled to be purchased. I understand that this aircraft is critical to modernizing our strategic command, control, and communications with our ballistic missile submarines. Has this program run into development problems? Has cost growth been a problem? Or was this procurement simply assigned low priority in the Navy's budget process? If so, why the low priority for so critical a mission?

Admiral **Watkins**. The TACAMO/E6A program has not run into development problems and has successfully passed numerous milestones in calendar year 1983. Preliminary Design Review was conducted in November 1983 and resulted only in a modest number of action requests. The Class I and II mockups have been completed and are supporting further design efforts. The TACAMO/E6A program is on schedule.

The TACAMO/E6A program has not experienced cost growth problems, but, as a result of funding constraints encountered in fiscal year 1985 budget preparation, was considered by Navy to be too expensive. The TACAMO program has since gone through intense scrutiny to reduce program costs and revalidate the need for a replacement airframe. During these program reviews, Navy's fiscal 1985 budget submission went forward and did not contain funding for initial production of E6A aircraft.

Navy completed its review of TACAMO/E6A in January 1984 and joined the contractor in a Memorandum of Understanding to effect substantial E6A program cost savings which lowered the projected contract value to a more affordable level at no sacrifice to mission capability. The Navy, therefore, has requested funding of the E6A program for fiscal 1985 from within current budget constraints and has proposed an amended budget submission to OSD. The E6A program is fully supported by Navy.

Senator **Tower**. Gentlemen, we appreciate your presence here today. The hearing is hereby recessed.

[Whereupon, at 1:05 p.m., the committee adjourned, subject to the call of the Chair.]

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1985

WEDNESDAY, FEBRUARY 8, 1984

U.S. SENATE,
ARMED SERVICES COMMITTEE,
Washington, D.C.

AIR FORCE PROGRAMS

The committee convened in open session, pursuant to call, at 10 a.m., in room SD-138, Dirksen Senate Office Building, Hon. John Tower (chairman) presiding.

Present: Senators Tower, Goldwater, Warner, Cohen, Quayle, Wilson, Nunn, Stennis, Levin, and Bingaman.

Staff present: James F. McGovern, staff director and chief counsel; Arnold L. Punaro, staff director for the minority; Alan R. Yuspeh, general counsel; Brenda K. Hudson, assistant chief clerk; and Patrick A. Tucker, counsel; Robert E. Bayer, Michael B. Donley, David S. Lyles, José E. Martinez, Bruce D. Porter, and Carl M. Smith, professional staff members; Tamara L. Farnsworth and Patricia L. Watson, staff assistants.

Also present: Gerry Smith, assistant to Senator Goldwater; Les Brownlee, assistant to Senator Warner; Ronald P. Kelly, assistant to Senator Humphrey; James H. Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Mark J. Albrecht, assistant to Senator Wilson; Francis J. Sullivan and Mary A. Shields, assistants to Senator Stennis; Jeff Subko, assistant to Senator Exon; Peter D. Lennon, assistant to Senator Levin; and Michael A. Fainberg, assistant to Senator Bingaman.

OPENING STATEMENT BY SENATOR BARRY GOLDWATER

Senator GOLDWATER [presiding]. The meeting will come to order.

Senator Tower cannot preside at the beginning of the hearing this morning, as he is presenting the committee budget for next year to the Rules Committee. That may not seem important but it gets important as time goes on.

The committee meets this morning to receive testimony on the Air Force's fiscal year 1985 budget request.

We are pleased to welcome Hon. Verne Orr, Secretary of the Air Force, and Gen. Charles A. Gabriel, Chief of Staff of the Air Force.

One week ago the committee received a comprehensive classified briefing from the Joint Chiefs of Staff on Soviet military developments. Despite some disagreement within the intelligence community over the precise level of Soviet defense spending, it is apparent that the pace of Soviet modernization continues unimpeded.

The Soviets currently have more than 30 new strategic offensive systems in various stages of development. These include the new Blackjack intercontinental bomber, the SS-N-20 SLBM's for deployment in the Typhoon-class submarines, land and submarine launched cruise missiles, and a new generation of ICBM's (SS-X-24, SS-X-25). They have also developed a major ballistic missile defense system located near Moscow. We possess no similar capability, and I might add we don't even have a capability that begins to approach it.

Soviet tactical developments have been equally ambitious. One new fighter, the SU-25 Frogfoot, has already seen combat in Afghanistan; a second, the Mig-29 Fulcrum, was declared operational in October; a third, the SU-27 Flanker, is expected to be in service within the year. While developing this new generation of fighters the Soviets have maintained their tactical fighter production rate at approximately 1,300 aircraft per year and I would hope that during your testimony you would point out the big difference between their production rate and our protection rate.

[The information follows:]

U.S. VERSUS SOVIET FIGHTER PRODUCTION RATES

The following points out the large difference between United States and Soviet fighter production (all figures include production for foreign nations).

	1980	1981	1982	1983
United States	467	416	406	458
[Deleted.]				

U.S. fighter aircraft production for 1984 and 1985 will be 343 and 350 respectively.

Senator GOLDWATER. In the face of these developments it should be clear that a simple comparison of Warsaw Pact and NATO spending levels is not meaningful. A more relevant analysis would compare the modernization rates of the two forces—and on this basis, it is apparent that the Soviets enjoy a comfortable advantage.

We will hear in a moment the details of the Air Force's 1985 budget request, a budget which is necessarily influenced by these significant developments in Soviet capabilities. The strategic programs, including the B-1, the Peacekeeper and the space based defense proposal will be of particular interest to the committee.

In the tactical area, the outcome of the Alternate Fighter Engine competition, the impending announcement of the Dual Role Fighter selection, the Lantirn and Amraam programs will all receive close scrutiny from the committee.

And finally, we will be interested to hear of the Air Force's current plans for meeting our airlift shortfall.

Gentlemen, it is a pleasure to have you with us. I guess Secretary Orr is going to start off. If you have prepared texts, you may submit the text for the record and we will treat it as if read and you may proceed to outline whatever you care to outline.

STATEMENT OF HON. VERNE ORR, SECRETARY OF THE AIR FORCE

Secretary ORR. Thank you, Mr. Chairman. We do have a prepared text and I would like to submit it.

[For the USAF fiscal year 1985 report to the 98th Congress of the United States of America, see p. 1029.]

First I would like to say that as I begin my 4th year as Secretary of the Air Force, this is my fourth appearance before this committee. We are very proud of what has happened to the Air Force and the entire military establishment in these 4 years, and a great deal of the success of that lies in the understanding and the cooperation of this committee and the authorization to make it possible.

I would like to touch very briefly on three successes and three concerns that the Air Force has and then turn the microphone over to General Gabriel and await your questions.

PERSONNEL, RECRUITMENT AND RETENTION

The first success which we are very proud of is in personnel, our recruitment and retention. Both are outstanding. In August, for example, we brought in over 4,000 new recruits and only 4 do not have a high school education. We are 98 percent plus high school graduates in the new recruits and over 99 percent in the Air Force as a whole. The morale is extremely high. Our people are confident, self-assured and pleased with the equipment they are getting. I think very honestly it is probably the best fighting force in the history of the Air Force.

B–1 BOMBER

The second success I would like to maintain is the B–1. We had originally planned to roll it out on October 6, that would have been from 4 to 5 months earlier. We have now advanced that date to September which will make it even earlier and along with that I am very proud to say that it is under budget.

The third success I would like to mention briefly is the alternate fighter engine. We had an excellent competition between two very strong companies, and we got two outstanding engines as a result. We have elected a split buy. For 15 years we were in a sole source position and that produced some difficulties for us. So decided to continue the competition for future purchases. We have elected to give orders out for 1 year. We will reassess our needs at the end of 1 year and reassess the market and decide next year on what split or what arrangement we care to make. The engines that we chose have outstanding warranties, far different from anything we have ever had in fighter engines before, and we have also gained arrangements to dual source parts so that we can go directly to parts manufacturers and hope to avoid some of the problems in spare parts that we have had in the past.

RECRUITING

In the area of concerns, I would be remiss if I didn't mention that there has been a slight drop in traffic across the threshold in our recruiting officers. The number of people who are coming into recruiting offices and saying, "I want to join up," is now lower than it has been although we still have a very fine backlog of people that want to come in. Our situation does not appear to be as serious as Secretary Marsh indicated to the committee the Army's was a short time ago. It would be strange indeed, however, if we didn't notice some change with the employment climbing and the unemployment dropping as it has recently.

RETIREMENT

The second thing I would like to mention as a concern is the number one issue among our troops and that is the constant talk that something may be done to their retirement. I make a habit of visiting bases. I have been to many. At every base I go to, the first question I am usually asked is, "What about retirement?" The troops are extremely nervous and many of them feel they have made a commitment to come into the service and somehow that that commitment is being threatened. It is an area in which we feel very deeply that we must keep our commitment to our people.

SPARE PARTS

The third and last area I would mention is in spare parts. We have received publicity over the past year that we would have preferred not to have received. What was not made clear in many of the media stores about our spare parts was that we found those instances because we are trying to improve our situation. We unearthed the problems that showed we paid too much because we were setting about to correct our situation. Had we not been interested in those matters, the stories would never have appeared. We continue to unearth stories. If we pay too much, we are quite willing to say so because we are making a very sincere effort to correct things. If there are further questions, I will be glad to answer. But we have made a number of very successful moves to bring our spare parts prices into line.

So I will conclude by again thanking the committee for the great cooperation we have received and ask General Gabriel to proceed.

[The prepared joint statement by Secretary Orr and General Gabriel follows:]

PREPARED JOINT STATEMENT OF HON. VERNE ORR, SECRETARY OF THE AIR FORCE AND GEN. CHARLES A. GABRIEL, CHIEF OF STAFF, UNITED STATES AIR FORCE

EXECUTIVE SUMMARY

Over the past three years, the Air Force has made a good start in regaining its strength — strength sapped by inadequate support for defense in the 1970s. Although we still have a long way to go, we're beginning to see results in the quality of our forces — highly skilled and motivated people with the right equipment, innovative tactics, and realistic training. With public and congressional support, we will keep up the momentum in building strong and ready forces.

Since we reported to Congress last year, the conflicts in Lebanon, Afghanistan, and elsewhere around the globe continue to show that we live in a dangerous world. The Soviet Union continues to exploit local and regional conflicts in Southeast Asia, the Middle East, Africa and Central America. The community of nations also witnessed the Soviet Union's shooting down of KAL Flight 007. The stronger the Soviet military gets, the more brazen become the expressions of that power.

Working to build a dominant military power, the Soviets continue to outpace us with more and improved weapon systems. For example, in the past decade the Soviet Union has substantially outproduced the United States in conventional weapons: five to one in tanks and other armored vehicles, two to one in tactical combat aircraft, and more than two to one in attack submarines — all the while proclaiming their desire for peace in the world.

In the 1940s, we and our allies paid a terrible price for a false peace held out by a totalitarian regime. Experience taught the free world a hard lesson: weakness and appeasement lead not to peace but to war. Since World War II, we and our allies have depended on strong forces to deter aggression. We enjoy our security and freedom because we have strength in national will and the forces to back it up — the prime elements of deterrence.

Our nation is striving to maintain peace through a policy of deterrence and arms reductions. For nearly 40 years, our strong nuclear forces have successfully deterred general war and assured the security and peace of Western nations. To keep that peace, we have to maintain strong deterrent forces while we pursue equitable and verifiable arms reductions agreements with the Soviet Union.

Priorities

While we focus on countering Soviet nuclear forces, we must also be prepared to meet the threat from the Soviets and from other quarters across the entire spectrum of conflict. Consequently, we have structured our priorities to deter aggression at any level — special operations, small and large scale conventional combat, or strategic nuclear war. Our success depends on getting the most out of every dollar and ultimately on the quality and dedication of our people. Well-trained, well-led, and highly motivated people are the key to strong and ready forces. We have top-notch, well-educated people in uniform today, and best of all, they are staying in. Concern for our people is always our first responsibility.

We continue to emphasize the priorities we set last year to correct our most pressing deficiencies.

- Modernize strategic forces (offensive and defensive)
- Improve readiness and sustainability of general purpose forces
- Increase airlift capability
- Modernize and expand tactical forces

Moreover, our increasing use of space for national defense and civilian purposes makes it prudent that we place greater emphasis on improving our capabilities in space. Emerging technologies promise to improve our ability to operate in space more efficiently and effectively. We need to be prepared to take advantage of the opportunities and challenges space-based systems present.

Strategic Modernization

Modernization of our triad of strategic offensive forces — bombers, intercontinental ballistic missiles, and submarine-launched missiles — was generally deferred during the 1970s. But during that time, the Soviets worked relentlessly to improve and expand their strategic arsenal. Some 75 percent of the nuclear warheads on Soviet strategic weapons are on systems less than five years old, while some 75 percent of the warheads on US strategic weapons are on systems more than 15 years old. Consequently, the balance shifted as the Soviets gained important advantages in many measures of strategic nuclear strength.

To maintain a credible deterrence and a stable nuclear balance, the President, in October 1981, directed that we undertake the first comprehensive modernization of our strategic forces since they were built in the 1950s and 1960s. We are vigorously pursuing this program to redress the imbalances created by the Soviet buildup and our failure to keep pace. We are improving the survivability, endurance, and capability of our strategic surveillance, warning, and command, control, and communications systems. To improve strategic defense, we are modernizing our continental air defense forces, and for the longer term we are developing technologies to provide a comprehensive strategic defense. Moreover, three squadrons of B-52s equipped with air launched cruise missiles (ALCMs) are now operational. We will procure a limited number of ALCMs and we want them to be as capable as possible. Therefore, we are developing and will deploy the advanced cruise missile. The B-1B program is on schedule and within costs, with the first aircraft to roll out in October of this year. The force will build rapidly thereafter with 100 aircraft delivered by the middle of 1988. We are also developing the Advanced Technology Bomber (ATB) that will take full advantage of low observable technologies.

Thanks to the President's Commission on Strategic Forces and to congressional support, we finally have a comprehensive program under way to upgrade our land-based ICBMs. We have established a program office at Norton Air Force Base to manage the development of the new small ICBM for the 1990s. The number of people working on this program will double this year and a general officer will head this office by mid-year. With three test launches completed to date, Peacekeeper development is on track, with initial deployments in Minuteman silos scheduled for late 1986.

Our strategic offense and strategic defense programs are tied closely to US arms control efforts — a triangle of initiatives designed to bolster deterrence and improve crisis stability. We strongly support efforts to reach agreements with the Soviets on deep, equitable, and verifiable reductions in nuclear forces. We remain confident that dialogue with the Soviets on strategic and intermediate-range nuclear forces can produce agreements that substantially reduce nuclear arsenals on both sides and help reduce tensions. We look forward to prompt resumption of negotiations.

Readiness and Sustainability

Because of extremely tight defense budgets in the 1970s, readiness and sustainability efforts were delayed to fund badly needed tactical force modernization and a modest expansion of our force structure. We simply didn't have the dollars to keep our people, facilities, and equipment fully ready for combat.

The highest priority for our general purpose forces is to improve readiness and sustainability which allow us to get the most out of what we've got. Our recent involvement in Grenada clearly showed the importance of preparedness — we had the proper planning, the well-trained people, and the right equipment when we were called upon.

During the past three years, we've more than doubled the funding for readiness and sustainability, and we are seeing good results in the quality of our people in the active and reserve forces and in the equipment, spares, and fuel needed to fight. Additional funding has also contributed to increased flying hours, realistic exercises for combat-like experience, and hands-on training for skilled mechanics. Even with the rigors of aggressive training, tough exercises, and frequent deployments, 1983 was our safest year on record, with 1.73 major accidents per 100,000 flying hours — a significant improvement over even 1982's record rate of 2.33. The flying safety record shows the effects on combat forces when readiness initiatives such as increased flying hours, spare parts, and realistic training are sufficiently funded.

Logistics — including munitions and spare parts — plays a critical part in readiness and sustainability. We're increasing our munitions stocks, including air-to-air and air-to-surface missiles. Since FY 81, we've more than doubled funding for such munitions. We are also making headway against shortfalls in replenishment spares. We now have sufficient spares to generate two times the number of tactical sorties we could fly in 1980.

As we replace aging systems, expand our forces, and increase our stocks of spares, we are stressing sound management practices to ensure we get the most for our money. Along with realistic budgeting and program stability, we continue to explore competition, multi-year purchasing, contractor support, and economic production rates for improved economies and efficiencies. Our intensive study, particularly by the Air Force Management Analysis Group (AFMAG), of our system for buying spares has produced excellent suggestions for improving management. Many of these have been adopted. We are pursuing all available means to provide civilian spaces needed to ensure price reasonableness and expand competition in our spares acquisition program. Thus, we have asked for and received from DoD a civilian overstrength authority for 1,000 spaces in FY 84 and we have programmed another 1,900 spaces, mostly for Air Force Logistics Command, in FY 85.

In 1983 there was much media attention on high prices for spare parts. It is important to note that nearly every instance highlighted by the media was uncovered by Air Force people as we worked diligently to unearth and correct all instances of improper pricing. Together with the public and Congress, we will not tolerate overpricing and mishandling of spares acquisition. We've asked for industry's cooperation and put business on notice that we'll pay a fair price and no more.

To reduce the vulnerability of our people and resources to terrorist attacks, we have established an anti-terrorism program that includes security precautions, defensive measures, intelligence and awareness programs. We also established a special task group, chaired by a general officer, to examine all aspects of the terrorist problem. This group will report on the status of anti-terrorism programs and recommend improvements. In all our efforts, we are working closely with the other services, as well as civilian and host nation authorities.

Force Projection

Even with the finest people, aggressive training, and high quality equipment, our combat forces cannot deter or, if need be, defeat aggression unless they can deploy quickly to wherever American interests are threatened. For too long, a lack of airlift capability to deploy forces to potential battlefields has jeopardized our combat potential. Only recently have we begun to improve the situation.

Our increased stock of spare parts, the near-term buy of 50 C-5Bs and 44 additional KC-10s, and a contract to add cargo-convertible features to 19 commercial passenger aircraft will increase our air deployment capability by almost 75 percent. Yet, that would still leave necessary combat units far from the battlefield during the early days of any crisis.

To satisfy remaining inter- and intra-theater airlift requirements, and to replace aging C-141 and C-130 aircraft in the 1990s and beyond, we are developing the C-17. Able to operate into at least three times as many free world airfields as our current intertheater airlift force, the C-17 will deliver combat units directly from their home stations to their final theater destinations. The evolving mix of C-130, C-141, C-5, KC-10, C-17, and commercial aircraft will, for the first time, provide our combat forces comprehensive air mobility.

Equally important, the air refueling requirements of both our strategic and conventional forces have grown dramatically in recent years. To satisfy these needs, we are modifying our KC-135s with new engines and other improvements to increase capability by roughly 50 percent. KC-10s will also provide air refueling capability while significantly helping our airlift force.

For lower level conflicts in particular, improving our special operations forces is one of our most important initiatives. We will include the HH-60D/E in both the special operations and combat rescue forces. Additionally, we will be modifying existing HC-130, AC-130, and MC-130E aircraft and purchasing MC-130Hs specifically for the special operations mission.

Tactical Forces

We are continuing to buy the best fighters in the world today — the combat-proven F-15 and F-16. We will improve their air-to-surface, night, and weather capabilities to meet the growing threat from Soviet forces. Emphasis continues to be on better avionics and munitions. We're also committed to stable production of F-15s and F-16s to modernize and expand our tactical forces. Our goal is to achieve 40 tactical fighter wings before the end of the decade.

We anticipate that the alternate fighter engine competition will provide significant benefits in reliability, cost effectiveness, performance, and maintenance. To complement the F-15s and F-16s, we intend to procure a dual role fighter. We will also continue developing the advanced tactical fighter, taking advantage of promising technologies to meet anticipated advances in Soviet fighter capabilities in the mid-1990s and beyond.

To counter Soviet intermediate range nuclear forces (SS-20s and SS-4s) aimed at Western Europe, we are working closely with NATO nations. Further, we have begun to deploy ground-launched cruise missiles (GLCMs) in the United Kingdom and are proceeding with deployment plans for Italy and other European allies.

Space

As in the early 1920s when airpower applications were just being talked about, we are now in the early stages of considering how assets in space can contribute to deterrence. US forces are more dependent than ever on systems in space and that dependence will continue to grow. We use space systems for surveillance, tactical warning, navigation, meteorology, communications, and command and control for land, sea, and air forces. During the past year, the operational emphasis provided by Air Force Space Command has improved our ability to support and control our valuable assets in space.

Recognizing the Soviet threat in space, our own growing dependence on space, and the military potential of space systems, the Air Force recommends that a unified space command be established soon. The unified space command would exercise operational responsibility for US military space systems, conduct planning for wartime use of space assets, be the focal point for military requirements in space, and be the advocate for new systems.

The Soviets are already busy exploiting space for military advantage, including deployment of an anti-satellite weapon. Since Sputnik in 1957, the Soviets have launched twice as many spacecraft as the United States, and 85 percent of their space activities are related to military efforts. Our nation cannot allow the development of a dangerous imbalance in military capabilities in space. Rather, we need to keep our technological lead in space systems, pursue promising avenues to strengthen deterrence by countering Soviet space efforts, and hedge against potential breakthroughs in Soviet capabilities. We can no longer think of space solely as a safe place for peacetime activities and civilian accomplishments. At a minimum, we have to ensure our space systems can survive and operate in a wartime environment.

People

A renewed sense of patriotism, increased public support, and well-deserved increases in compensation have reversed the grim situation we faced in the late 1970s. In those years too many of our experienced people hung up their uniforms to find a better life for themselves and their families. In contrast, FY 83 was the best recruiting and retention year ever for the Air Force. In FY 83, 98 percent of new recruits had high school diplomas compared to 83 percent in FY 79. First term reenlistments of eligibles rose to an all-time high of 66 percent compared to 36 percent in FY 80. If FY 79 continuation rates had persisted, three out of every four pilots in the six-to-eleven-year group would have left us. If present trends continue, we will keep more than three out of four.

As a result, we now have a more experienced, high quality, and well-trained force to operate our modern weapons systems. But we cannot become complacent. An improving economy, rising employment opportunities, demographic changes, and other factors require that we keep pay and entitlement increases corresponding to those in the civilian sector. We know from the experience of the late 1970s that if pay is not comparable to that available in the private sector, many of our experienced people will leave us.

Of particular concern is the military retirement system, our number one career incentive. The current system works well in helping us maintain a vigorous, experienced, and combat-ready force. Reductions to the retirement system adversely affect retention, readiness, and our overall ability to get our job done.

Even now we need additional skilled people to operate our new equipment and to keep our forces ready for combat. Congressional curtailment of end strength growth in FY 84 will degrade performance and safety, weaken morale, and ultimately reduce preparedness. Together with continued pressure to reduce US manpower in Europe, this reduction means that without the requested growth in FY 85 we would not have enough people to accomplish our missions and fulfill national commitments.

Total Force

The Total Force includes all active and reserve components of the Air Force. The Air Reserve Forces (ARF) contribute more than two-thirds of our nation's air defense interceptors, half of our tactical reconnaissance mission, and about 60 percent of tactical airlift. Moreover, they provide half of our strategic airlift and tanker/cargo crews. In addition, over 11,000 Individual Mobilization Augmentees (IMA) are assigned to active duty Air Force units. As members of the Selected Reserve, they provide important support to the active force in critical wartime skills such as engineering, medicine, and security police.

Reserve forces are flying modern, first-line equipment such as our F-16 and A-10 fighters, C-5 and C-141B transports, and KC-10 tankers and will receive F-15s in the future. We also plan to increase mission support activities in air base ground defense, aeromedical evacuation and medical service units, as well as aerial port units. The Guard and Reserve show themselves highly capable in exercises and competitions. We're proud of the mix of forces we have now and will continue to look for opportunities to expand the role of the ARF.

Although force mix decisions involve many complex factors, helping the active force meet and sustain wartime surge requirements continues to be the primary way we plan to use our reserve forces. Unprogrammed, random force mix changes could severely affect our readiness and flexibility in meeting requirements.

Installations

The Air Force fights from its bases. Consequently, our bases need efficient facilities to support advanced weapon systems and the people who operate and maintain them. During the rest of the decade, we need major capital investment in our bases — an investment that will return high payoffs in readiness and sustainability. We have to maintain, repair, and replace old, inadequate facilities and, when necessary for our mission, build new facilities.

Good examples of needed new construction are the support facilities at main operating bases for ground-launched cruise missiles (GLCMs) in Europe. We urge

Congress to approve construction of GLCM facilities — e.g., schools, housing, and community support facilities — that will allow accompanied tours and improved quality of life for our people. Unaccompanied tours caused by inadequate support facilities are a strain on our people and increase training requirements with people rotating frequently — a costly way to operate.

FY 85 Budget

We have a formidable task in supporting America's commitments as the leader of free nations and in countering the unparalleled growth in Soviet military power. With the programs and priorities outlined above, we are confident the strong and ready forces we are building will be equal to that task.

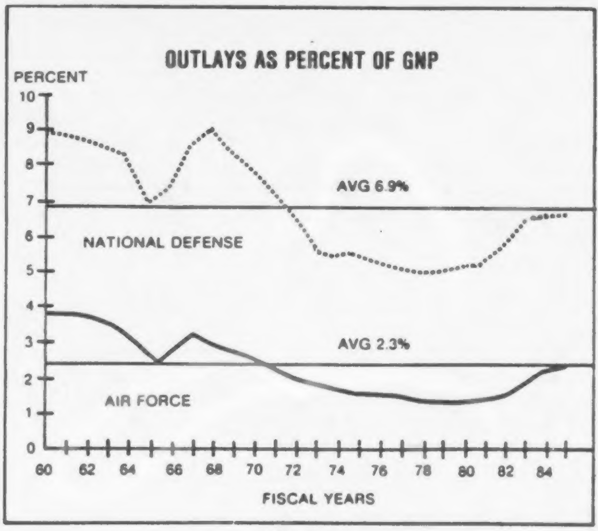


Figure 1

For FY 85, the Air Force requests $108B (which for the first time includes $4.86B for retirement accrual) to ensure our readiness to fight with what we have and modernization to counter the future threat. Even with increased defense funding over the past few years, our Air Force request is about 2.3 percent of America's GNP. Although this figure approaches our 20-year average, it represents only a recent upturn from ten years of inadequate defense spending. During the 1950s and early 1960s, our nation devoted 9 to 11 percent of GNP to defense in peacetime years, significantly more than both the recent low of 5 percent in 1978 and today's 6.8 percent.

With the potential for conflict always present, America must be prepared. We've come a long way in the past few years in restoring the strength of our forces, but we cannot slacken our efforts. The momentum must be sustained.

Senator GOLDWATER. I want to thank you personally, Mr. Secretary—and I feel I speak for other members of the committee—on the great work that you have been doing on every base that I can think of that belongs to the U.S. Air Force.

I would like to welcome former Senator Howard Cannon under whom I worked for many, many years on the tactical bill in the subcommittee. If you want to say anything, Howard, it will cost you 25 cents a word.

Senator CANNON. Thank you.

Senator GOLDWATER. General Gabriel?

STATEMENT OF GEN. CHARLES A. GABRIEL, CHIEF OF STAFF OF THE AIR FORCE

General GABRIEL. Thank you, Mr. Chairman.

I would like to first say it is really an honor and a pleasure to work for a man like Secretary Orr. He is really important when it comes to getting at the problem of spare parts competition and acquisitions.

I would just like to add a little joint and operational flavor to what the Secretary said. Everything he said about recruiting and retention I would endorse.

Our priorities, I think everybody knows, are the same as last year's. People are always first with us and that is our ace in the hole with the other side. Beyond that, strategic modernization is No. 1, then readiness and sustainability, mobility and finally tactical force modernization and enhancement, in that order.

JOINT COOPERATION

I would like to comment on one subject here—joint cooperation. I think you have heard it said that the services are going off in four different directions and we don't have an overall strategy. That is not true. We are working hard to combine our efforts, and I would like to just give you a couple examples of that with the Army and the Air Force. I have mentioned this before to you in our private and public discussions. Over the last year and again this year, we sat in on the Army's budget discussions, and they sat in on our's as we built this budget that you have in front of you today.

We work essentially in the same area, the Army and the Air Force. We are the Army's Air Force when it comes to theater warfare. So the programs we work together the most, of course, are interdiction, close air support, and air defense. And there are a number of examples of joint programs in those areas.

I would like to also say that General Wickham, Chief of Staff of the Army, and I have formed a team to take a fresh look at how we work together. We put the team in a room and locked the doors and told them, "OK, here is the problem. We have a number of bands beyond the front lines that we are working. There are targets back there; behind the front lines, target sets that we are mutually interested in. What does the Army have to work those problems? What does the Air Force have to work those targets? Where are we bumping into each other? Where are the voids? Who can do those jobs the best?"

We are doing that now and we will have answers sometime in mid-March that will help us with next year's budget, the fiscal year 1986 budget. We have good, hard-working people looking at these questions, and they have started with a clean sheet. We are excited about what they may come up with.

In cooperation with the Navy, I think you know about many of the exercises, training, and exchanges that we have with the Navy. For example, the AWACS, the F-15's, and the tankers have already shown in a number of large exercises with the Navy that we can expand the outer air battle for the Navy well beyond what they have been doing. We can help defend the sea lines of communication. We don't have to fumble around for frequencies every time we go out to work with their battle groups because it is now routine.

The B-52's, in their sea surveillance, and mine laying roles and with Harpoons for ship attack—all of this now has been practiced very well and, as I say, has become routine. We are getting more out of what we have got and we are working together. The services know we don't have a blank check. We know we have to work together to get the job done, and that is exactly what we are doing.

AIR NATIONAL GUARD AND AIR FORCE RESERVE

Speaking of working together, I always mention the Air Reserve Forces. We are especially proud of the Air National Guard, and the Air Force Reserve because they are the best in the world, and they make up a good portion of what we have. They make up two-thirds of our continental air defense, the interceptors; over half of our tactical reconnaissance force; half of our strategic airlift; and half of our tanker/cargo crews. It is a good story; they do very well. They are getting the best equipment that we have today—F-16's, A-10's, C-5's, and possibly C-141's. And the F-15's will be coming into the Guard at the end of fiscal year 1985 and the beginning of the next.

In addition, just a little over a year ago the Air National Guard manning went over the 100,000 mark for the first time. The National Guard and the Air Force Reserve are growing about twice as fast as the active force is today. We are looking for more jobs for them to do. They do such things not only for our flying mission, as I mentioned, but they also augment the wartime jobs that are less important to us in peacetime. They provide some of the wartime medical units and Military Airlift Command aerial post units. Civil engineering is another example, the old civil engineering unit that does repair and what not, those things that you know you are going to need in wartime but you don't need to keep up to speed every day. They are good at that.

We have just announced recently our plans for what we will do in 1985, and there are a lot of changes. Seven Guard and Reserve fighter units will increase fighter readiness by building from 18 to 24, adding 6 aircraft—and, of course, the F-15's, as I mentioned, will be coming at the end of that period.

RECRUITING AND RETENTION

I would like to mention one other thing about the Air Force overall. We had a banner year, as the Secretary just said, in recruiting and retention; we have never done better. We also had our best flying safety record in our history this past year—1.73 major mishaps per 100,000 flying hours. I never thought we could get it down to that level. For the last 5 years it has been going down, and it has reached the point now that it is going to take some real fine tuning to get anywhere below it. We made this record, as you know, even with the Red Flag training, with all the combat commands and services from other countries out at Nellis AFB. It is the most realistic training we could give our troops without actually shooting at them. We have done all that training and still have gotten this safety record that is nearly unsurpassable.

There are several reasons for our flying safety record. One of them has to be the quality of our crews and the equipment they fly. That is essentially it. The crews will fly about 20 hours a month this year for the first time in a long time. Six years ago they were getting 13 hours a month. That is a heck of an increase, and thanks to your good work on this committee and the work of a lot of other people we will continue to drive to keep our readiness up because that is where you get the best returns for the dollar, making sure that we get the most out of our equipment. The designers, the developers, the acquisition people who have built the F-15's, F-16's, and A-10's have built safe, reliable, maintainable aircraft. Our operational readiness rates are higher than they have ever been before, in fighters in particular. I say all this about fighters because that is where most of the action is going to come from.

READINESS AND MODERNIZATION

Mr. Chairman, let me close by saying that we have struck a balance between readiness and modernization; it is a careful balance. Readiness is getting the most out of what you have got today on the ramp. Modernization is preparing to fight against tomorrow's threat. I appreciate all the efforts that you and people like you have put in on our behalf to make sure that we maintain our readiness.

Thank you very much, Mr. Chairman.

Senator GOLDWATER. Thank you, General.

I might add to the subject of personnel which has been touched on. We have almost 13,000 young people trying to get in the Air Force Academy next year, and that amount is about equal at Annapolis and West Point. So as is typical during peacetime, we are not short of people to develop into fine officers.

I am very happy about the emphasis that you and the Secretary and all of your commanders that I have come in touch with place on personnel. As you know, if you don't have good enlisted men behind you, you are not worth a damn. In that vein, I want to recommend to you a fine production of an Air Force/West Point/Annapolis film that has just been printed. I think there are only two or three copies right now so, you may not have seen it yet, but DOD intends to make a copy available to every Member of Congress for recruiting candidates for the academies much easier.

One short comment before my questions. I was very interested naturally in the decision the other day on the engines. I think it was an eminently fair one but I'm concerned about spare parts and I want to emphasize something that has been started again by the Air Force. Is the Air Force making as many spare parts as they can? I read an article in some publication that that process may be stopped due to commercial pressure. I hope it is not stopped because you know and I know that the day was when the Air Force made most of the spares they used. There is no reason for us not to use the excellent and highly trained personnel in the manufacturing of parts that the Air Force can manufacture and I would not reduce that effort a bit.

PEACEKEEPER MISSILE

Now, General, the Peacekeeper missile has completed three flight tests. Recognizing that this system is a point of contention, can you provide us with some details about the flight test results?

Secretary **Orr.** I will answer if I may, Mr. Chairman.

The only anomaly that occurred in the third test when we had a very minor problem on the third stage. The missile is so constructed that the fourth stage tried to make up for that and succeeded in making up most of it but it didn't quite make up all of it. So not all of the warheads landed exactly on target. We think it is such a minor problem that it will not delay the fourth test.

Senator **Goldwater.** Do you expect it to come on board on time.?

Secretary **Orr.** Yes, sir.

Senator **Goldwater.** Again either one of you can answer this but I will address it to the General. Would you provide the committee with a brief overview of some of the milestones achieved in the small mobile ICBM program during the past several months?

General **Gabriel.** We have set up a systems program office for the small ICBM out at Norton AFB, the SPO, and this summer we will have in place a general officer to head it. Of course what we are doing now is just putting the program together. The Schriever Sweeper Committee put together a very reasonable, deliberate, paced program and that is what we are going to follow. I think you probably have heard this before.

SMALL MOBILE ICBM

Senator **Goldwater.** Do you personally have much faith in the small mobile ICBM?

General **Gabriel.** Yes. What it adds, of course, is survivability on land that would be difficult to achieve any other way—survivability is enhanced because you can move it around. The hard mobile right now looks like the most attractive, most promising basing mode, and I think it would add stability to the balance between the two superpowers if we can get both with a survivable system such as that and agreed to, of course, in arms reductions negotiations.

Senator **Goldwater.** Is this one truck mobile as well as rail mobile?

General **Gabriel.** We don't have any plans for rail mobile now, no. I would call it a truck vehicle. We call it a hardened mobile launcher. Of course there will be some PSI problems. We have a significant commitment to the small mobile ICBM this year, we have requested $465 million for fiscal year 1985; that will be spent on the small mobile missile itself. And we have requested about another $250 million for the basing mode and related technologies.

Secretary **Orr.** Mr. Chairman, if I might just amplify one thing, General Gabriel and I have agreed that the program office will be headed by a general officer starting in the middle of the year when we normally make our transfers. This is an indication of the importance we place on this program.

Senator **Goldwater**. It will be a new division?

Secretary **Orr**. It is under the Ballistic Missile Office but a whole new segment headed by a general officer.

B-1B BOMBER

Senator **Goldwater**. General, there have been reports recently that suggest that the B-1B bomber program is running ahead of schedule and under cost. If this is so, can you provide us with any specific details on this most encouraging development? Do you expect it to continue?

General **Gabriel**. Mr. Chairman, I think Secretary Orr would like to speak to that himself.

Secretary **Orr**. I was out to see the B-1B about 10 days ago. The wings are on the first one; it was sitting on its own landing gear. We now will roll it out in September instead of October; the actual date has not been set. We will fly it about 5 to 6 months before we had anticipated it would fly. We have had good success in our preliminary negotiations on multiyear contracting which the committee authorized and which we are very pleased with. It is now apparent that we should save the amount of money we said we would save through multiyear. The whole program is one of the programs we are the most proud of.

Senator **Goldwater**. Well, I am glad to hear that. I personally think that without the B-1 we are in serious trouble.

LANTIRN PROGRAM

Mr. Secretary, last year in the authorization conference this committee saved the Lantirn program from termination. At that time we agreed only to provide funds needed to evaluate the development hardware without making a commitment to enter production. That system is currently being tested at Edwards Air Force Base.

I have two questions. What can you tell us of the progress of those tests and is the Air Force evaluating any other FLIR systems in case the Lantirn system does not perform satisfactorily or within cost?

Secretary **Orr**. I will ask General Gabriel who has been following that very closely.

General **Gabriel**. Lantirn has two pods as you know, the navigation pod and the targeting pod. We have had the navigation pod in test and evaluation for some time now, and it is working very well. We had a little blooming on the screen as you turn the corner, but we have that squared away now; little things like that have been worked out. In fact, we have a video tape that we would like to send over and show you sometime if you would like to see it. The navigation pod is a part of the infrared, and it is a beautiful picture.

The targeting pod, as you know, zeroes in and gives you spot look to identify the target a little better. We have just gotten that back in the last few months, we had some trouble, sent it back to Martin Marietta, and we are just now getting it back. Some things had to be fixed so that pod is not very far along in the test; I cannot comment too much on that. It is a good concept; I think it will work. I hope we are able to build both pods so that we can be cued in by the navigation pod with a field view of about 30 degrees and then go to the close-in look with the targeting pod to identify the target better.

Have we looked at other FLIR's? Yes, we have. We have not tested them on the aircraft because none of them looks like it would come in and do the job as well for the same cost at least.

Senator GOLDWATER. It is a very costly program and we have searched for some time for another source and I don't think that is going to develop.

Have you put the night pod on yet?

General GABRIEL. The night pod?

Senator GOLDWATER. Yes. The one you sent back to the manufacturer.

General GABRIEL. The target pod?

Senator GOLDWATER. Yes.

General GABRIEL. Yes, it just got back from Martin Marietta and we are just now starting to fly it.

Senator GOLDWATER. I flew in a simulator and I say the system is a mighty good thing if it works as well in the airplane as it does on the simulator.

General GABRIEL. I think it can be done, yes. It is just like all simulators. We have to be sure the equipment will match the simulator.

Senator GOLDWATER. I have some more questions before my time expires.

F-15/F-16

General, I understand that a selection has been made in the dual role fighter. Have you selected the F-15 or the F-16?

General GABRIEL. We have conducted a prolonged evaluation, as you know. We flew 650 sorties and about 900 hours through the operational test and evaluation out at Edwards Air Force Base. Yes, we have taken our recommendation to the Secretary of Defense's Office, and they want to do a little bit more analysis. We are not ready to make an announcement until we get things sorted out in OSD, but we have completed the evaluation and will let you know very shortly.

Senator GOLDWATER. With the addition of the fuselage skin tank you almost made, or maybe you have made in your opinion, an interdiction attack light bomber out of it, is that true?

General GABRIEL. You are talking about the conformal tank to carry on the F-15?

Senator GOLDWATER. Yes.

General GABRIEL. It does give us a great deal more range, yes. It does not give you that missionized air-to-surface capability unless, of course, you put something like the Lantirn on it. It will have to be a two-seat fighter, I think, to do the job that the F-111 does, and that is what we are talking about. We are doing that but it would still retain the full air-to-air capability so you would have a long-range air-to-air, air-to-ground capability, most useful of course in Southwest Asia. It takes a lot of miles just to get to the fight in the Pacific in particular. In the Pacific, you have long flights before you get to the action.

Senator GOLDWATER. With this extended ability would it equal the F-111 interdiction range?

General Gabriel. No; nothing would go quite that far.

Senator Goldwater. It comes pretty close.

General Gabriel. It reaches way out, yes.

Senator Goldwater. All right. I have another question on that point. What consideration, total cost including development, procurement and operating advice was given in evaluating the two candidates?

General Gabriel. Evaluating the two dual-role fighter candidates?

Senator Goldwater. Yes. We have the F–16 and the F–15.

General Gabriel. Yes.

Senator Goldwater. What consideration did you give to the total cost recognizing that the F–16 is a much cheaper airplane to begin with than the F–15?

General Gabriel. Yes; it is. We are not buying an extra 400 aircraft. We want to buy the dual role fighter within the planned force structure, within the number of F–15's and F–16's in our program. We intend to buy about 1,400 F–15's and more than 2,500 F–16's. That will stay the plan whichever one is selected. If the F–16 is selected for the dual role fighter program, then we will build fewer F–16C's and F–16D's and go to the F–16E instead. The same thing with the F–15. So in the evaluation, it was a cost effectiveness consideration, and we did not rule out the cost of the aircraft. Primarily though it was an effectiveness evaluation. You can freeze the effectiveness and then take a look at the cost.

Senator Goldwater. Thank you. I have no further questions.

Senator Bingaman?

Senator Bingaman. Thank you, Mr. Chairman.

ANTISATELLITE WEAPON TESTING

Let me ask, Mr. Secretary or General Gabriel, either one, about the schedule—to the extent you know it—for the additional testing of an antisatellite weapon especially against a target in space. As you know, the Congress was concerned with this issue and passed an amendment dealing with that this last year. I would be interested in knowing what your schedule is for proceeding with that test.

Secretary Orr. I will answer that, Senator. We have had one test of the anti-satellite system, and it was shot into space. We could continue to do that as long as we don't pick a target. At the present time my thinking is that there probably would be one more shot without a target and then we would run into the congressional amendment that would either discontinue testing or have the President make a certification. Now conceivably we could have more shots as long as there is no target. We are only testing the propulsion, and so I don't want to absolutely limit ourselves. But as long as it seems to go well, it is probable that one more test without a target would be all that we would run.

Senator Bingaman. Could we have an estimate of the time that you are talking about? Is it spring, summer, or fall?

Secretary Orr. I will ask the general. The second test is between the spring and summer, not fall. I think it is prior to late summer, is it not?

General Gabriel. Yes. Summer, I would say, for the second test.

Senator **Bingaman**. Before summer you would expect to be in a position to want to test against a target, is that correct?

Secretary **Orr**. Well, at least let us say we would probably be in a position to have completed the testing apart from shooting against a target. I think that is more accurate. It is up to either the Congress or the President whether we go against a test target.

Senator **Bingaman**. One of the issues that has concerned a lot of people, I gather, about the area of anti-satellite weapons is the ability to verify any kind of agreement with regard to them. I would be interested in either one of you giving me your thoughts as to whether with present technology we would be able to verify an agreement.

General **Gabriel**. That would be very difficult but not impossible. Like a number of other things that we are discussing in negotiations with the Soviets, we would rely on national technical means and whatever we could get in terms of confidence building measures from the other side.

Senator **Bingaman**. Do you think the technology today is adequate to accomplish verification?

General **Gabriel**. Well, there are a lot of caveats to that. I would agree to that if we get meaningful negotiations with the other side in terms of just what that entails.

HOUSING IN HONDURAS

Senator **Bingaman**. Let me switch to another subject. I notice in your budget this year you have a request for $4.1 million for a permanent housing facility for personnel in Honduras at the Comayagua Airfield. Would you tell us how many people you contemplate assigning there on a permanent basis?

Secretary **Orr**. We went over that this morning, and we have only $1.8 million that I know of in the 1985 budget and not for permanent housing.

May I check that? We will supply that for the record.

[The information follows:]

Honduras Milcon

The Air Force has only $1.5 million in the 1985 military construction program for a forward munitions storage area at Palmerola AB outside of Comayagua, Honduras. The $4.3 million project at Palmerola AB is in the Army military construction program. At this time the Air Force has no plans to assign personnel to Palmerola AB on a permanent basis.

Secretary **Orr**. The only thing I have here is $1.5 million and it is not for housing, Senator.

Senator **Bingaman**. According to the information I have you are requesting $1.5 million for a forward munitions storage area.

Secretary **Orr**. Yes, sir, that is right.

Senator **Bingaman**. I also had a note that you are requesting $4.1 million for permanent housing at the Comayagua Airfield or Comayagua, but you are not aware of that?

Secretary **Orr**. I am not aware of that, Senator. It is not on my sheet or in my information.

Senator **Bingaman**. All right. Let me just ask you about the one you are aware of or that we are in agreement on; that is that one for $1.5

million for a forward munitions storage. Is that something that is required for conducting exercises or are we engaged in something other than conducting exercises when we start putting forward storage areas in various places?

Secretary **Orr**. Let me answer that in this way. It is a little indirect answer but I was down there 10 days ago and I went to La Ceiba which is in the 1984 budget for $8 million for certain expansions and none of that as I understand is questioned by Congress. But in one of the hangars, along with many other objects, they are storing their ammunition. I think that makes it very dangerous for our personnel to go down there and exercise and have ammunition stacked around the hangar. I think it would be safer for our own personnel during exercises if we could get the ammunition away from the runway.

Senator **Bingaman**. So you don't see the request for funding to construct a forward munitions storage area as anything except a normal action necessary to efficiently conduct the exercises?

Secretary **Orr**. I would not quite want to go that far. We conduct exercises where we don't have to build storage areas but in this particular case when you are working with a foreign government in exercises and they have that kind of ammunition storage. I think our troops would be safer if we did store the ammunition.

Senator **Bingaman**. Just one more question on this subject and then I will go on to something else. Do you have a figure for how many Air Force personnel you would expect to have stationed in Honduras on a permanent basis?

Secretary **Orr**. I believe our total is around 300. We have approximately 290 assigned on a recurring temporary basis and 7 people permanently assigned to the Embassy.

R&D AT UNIVERSITIES

Senator **Bingaman**. Let me move to something else.

Mr. Secretary, you have always been one of the leaders for using our defense resources to encourage basic research at universities, in particular, and I notice the basic research budget that you have submitted this year shows a real growth of somewhere between 1 and 2 percent. This is distinguished from the fairly major increases in your general R&D budget in all other areas. Is there a reason why this has been given more priority this year than the other items in the budget?

Secretary **Orr**. No, Senator, I don't believe I can honestly say I can answer that. The total research is not up to the growth that it has been. We have been running, I think, 14 percent growth in research and we are down to 12 percent if my memory serves me correctly, and apparently a larger figure than that. You are talking about basic research but I am not prepared to give you the details on that. I would be glad to supply a breakdown of that for the record.

Senator **Bingaman**. I would appreciate that.

[The information follows:]

R&D REAL GROWTH

The table below compares real growth percentages of the Air Force RDT&E account and the basic research portion of the account:

[In percent]

	Fiscal year—		
	1983	1984	1985
Air Force RDT&E	14.6	10.5	12.4
Basic research	8.9	10.6	2.4

Our goal was to achieve approximately 7 percent real growth in basic research from fiscal year 1983 to fiscal year 1985. Since we were able to achieve a high real growth in fiscal year 1983 and fiscal year 1985, our request for fiscal year 1985 was adjusted accordingly.

MIDGETMAN MISSILE

Senator **Bingaman**. Let me ask, I notice in table D at the end of the 1985 report that you have submitted to us you have included a fairly large amount for the Midgetman small missile. Could you give me any kind of indication as to what progress is being made or where that amount stands as far as development? It seems to be a major item as far as comparison with the other items of research.

Secretary **Orr**. Yes. We let contracts with fiscal year 1984 money in December 1983. We have already done design testing and will be letting contracts later for the vehicle. We will be letting contracts in July for the reentry vehicle, not for the propulsion but the guidance system and things like that. The crux of the small missile in my estimation is not going to be the missile, it is going to be developing the carrier. I don't see that the missile is on the forward edge of technology. We built missiles successfully, and this is only a smaller version. To get an acceptable hardened mobile vehicle I think is going to be where the bulk of our problem arises, and I am sure you realize the harder the vehicle that we construct, the smaller the area in which we can condense the dispersal in case of need.

Senator **Bingaman**. This funding that you show on table D, is aimed at the carrier as well as the missile itself. Is that correct?

Secretary **Orr**. It is aimed at both.

Senator **Bingaman**. Those are all the questions I have, Mr. Chairman. Thank you very much.

Chairman **Tower** [presiding]. Mr. Cohen?

MIRV PROGRAM

Senator **Cohen**. Mr. Secretary, yesterday Defense Week concluded that, "A move is afoot in the Pentagon to build terminal guidance and maneuverability into all reentry vehicles." There are a lot of people who have expressed concern as to whether or not we are about to let another genie out of the bottle such as the situation we have in the MIRV system. We went ahead, back in the early seventies, with the MIRV program and now, 10 years later, we are trying to figure out ways to get out of that particular situation because of what the Soviets have done with their SS–18's and SS–17's. There is some concern that this is another genie of a similar type and we now call it MARV—maneuverable reentry vehicles.

The first question I have is, would it be in the interest of the United States if MARVing could be controlled before it alters the United

States and Soviet balance that currently exists? Are we off on another type of race which 10 years later we will wish we had not started?

Secretary ORR. I will let General Gabriel further my remarks but I would like to say in a general way I think our interest is to do anything we can in any way to get verifiable, equitable, and mutual arms reduction and if we could get a verifiable agreement on that, that would be a step forward, Senator. I am for arms control and reduction any way we can get it, at any stage we can get it if we can verify it to make it equitable.

Senator COHEN. General?

General GABRIEL. I cannot argue with that if we could negotiate at the same time when they are hardening their silos. Soviet silos are much harder than ours are right now, as you know. This might eventually be the only way we can get to some of those silos, but at the moment that is not true. There is research, of course, being applied and should be applied until we get the kind of agreement that you are talking about. I agree with you, it could very well be the genie coming out of the bottle. We do have the technology in these areas, and it might be that we would have to use that some day to go against those hardened silos unless we get some meaningful negotiations not only on MARV but on the whole range of strategic issues.

Senator COHEN. Do we have evidence that they have advanced toward flight testing of MARV's?

General GABRIEL. No, I don't have evidence of that. I don't believe that they are as near as we are.

Senator COHEN. So is the rationale then that because they have hardened their silos this would be the only way to effectively penetrate and destroy those silos?

General GABRIEL. Obviously that is one of the primary reasons we are looking at it, yes.

Senator COHEN. And it has nothing to do with whether they are using maneuverable reentry vehicles at this time?

General GABRIEL. No, I don't think it would because right now what they have is rather effective against what we have.

Senator COHEN. But there is nothing that I am aware of in the past SALT/START negotiations dealing with the hardening of silos.

General GABRIEL. No.

Senator COHEN. Just a year or so ago we were debating whether we should try to harden our silos.

General GABRIEL. I recall that, yes, sir. I think that again would be awfully difficult to verify, unless you get some onsite inspections; we have not had any agreement from the Soviets for onsite inspection.

Senator COHEN. I just think before we go too far in developing this technology that inevitably is going to end up in Soviet hands one way or another, we ought to recall the consequences of MIRV's. As we try to get back to single reentry vehicles, will we keep moving up the accuracy bars and then 10 years later say, wasn't there some opportunity we could have at least explored to figure out a way to avoid this, because we will be faced with a problem in this country similar to the one created with MIRV's.

General GABRIEL. I agree that is something that we have to look at. As I mentioned to Senator Goldwater earlier, the small single-warhead mobile missile is the kind of thing that would give us the stability you are talking about without continuing this search for harder silos and more accurate missiles.

Senator COHEN. Is the small mobile missile designed to have a maneuverable reentry?

General GABRIEL. No, not now.

Senator COHEN. Speaking of that, we had a statement I think in a Defense Week interview with Lt. Gen. Robert Russ, Deputy Chief of Staff for Research and Development, and he stated that he thinks the Air Force is going to abide by the spirit and intent expressed by Congress on the small single warhead ICBM. That is a little bit vague and I was wondering what exactly your view is.

General GABRIEL. Well, if we are permitted, we are going to abide by that. The goal for the total weight is 30,000 pounds but it may be kicked up a little bit because it is awfully hard to fit in something that will do the job. We do have some technical limitations, and we don't know exactly the total weight that it would take, but we are going to fit into a limitation, if we can. We will come back and say we can.

Senator COHEN. I think there was a report that was due by January 15 with respect to the small ICBM. To my knowledge we have not received that.

Secretary ORR. I am not familiar with it. We will certainly check into it, Senator.

[The information follows:]

SMALL ICBM

According to the language accompanying Senate Report 98–213, fiscal year 1984 Defense Authorization Act, the Secretary of Defense, not later than January 15 of each year from 1984 through 1988, must submit to the Committees on Armed Services of the Senate and House of Representatives a detailed report on M–X deployment, Small ICBM development and testing, and developments related to silo-hardening technology.

On January 13, 1984, the Department of Defense published the ICBM Modernization Program Annual Report to the Committees on Armed Services of the Senate and House of Representatives. This document was forwarded to the Chairmen of these committees on January 25, 1984.

General GABRIEL. Yes.

ASAT WEAPON

Senator COHEN. Also, the Air Force has estimated that the effort being launched on the anti-satellite weapon is going to cost roughly $3.6 billion. An unclassified digest to a General Accounting Office report in January 1983 estimated that the cost would be "tens of billions of dollars." In view of the fact that we are looking at some pretty severe restrictions that are going to be imposed on the budget, if not this year certainly next year or the year after, I think it would be important to have some fairly sound basis for making a judgment on the fiscal side to this particular system. Perhaps you could comment on the disparity between the GAO estimate and that submitted by the Air Force.

Secretary ORR. I will have to do that for the record, sir. I am not familiar with that particular report.

General GABRIEL. I am not either but I suspect that in terms of the number of targets you could build up to rather astronomical figures depending on the number of satellites you would be prepared to shoot down.

[The information follows:]

SATELLITE WEAPON (ASAT)

The approved Mission Element Need Statement (MENS) for a low-altitude U.S. ASAT capability documents ASAT requirements and is the principal OSD guidance for the Air Force ASAT program. The MENS threat list reflects the JCS low-altitude threat.

The projected cost of the air-launched miniature vehicle anti-satellite to meet JCS threat requirements is approximately $1.3 billion for research and development and $2.6 billion for procurement. The projected cost for research and development is independent of the size of the deployed force.

The procurement costs are based on the requirement to negate the [deleted] satellites as delineated on the JCS "current" and "future" threat lists. [Deleted] those Soviet reconnaissance and surveillance satellites which provide real and near-real time tactical targeting information to Soviet combat forces about the location of U.S. air, sea, and land forces. [Deleted.] The Air-Launched Miniature Vehicle (ALMV) ASAT has been developed from its inception to respond to the [deleted] threat only.

The number of missiles required directly affects total procurement costs. The total number of missiles necessary to negate currently listed [deleted]. This number will change, upward or downward, in response to future updates to the JCS threat list.

By contrast, the GAO cost estimates were based upon negating [deleted]. The Air Force continues to evaluate systems which would provide [deleted] capability should the Soviets begin deployment of [deleted]. A prime candidate would be the [deleted].

Neither OSD nor Air Force has decided when to initiate development of a high-altitude ASAT capability. We are assessing the Soviet threat and will advise Congress when we believe it is prudent to fund such a program.

Senator COHEN. A couple of other questions with respect to the ASAT issue. The Congressional Research Service has indicated that the Soviets have tested their antisatellite weapon about 20 times. I am not sure of the accuracy of that particular figure, but that is what they have published. Of the 20 tests, they characterize 13 as having been a success.

Back in 1979, Lew Allen, who was then Air Force Chief of Staff said: "Our general opinion is that we give it a very questionable operational capability for a few launches. In other words, it is a threat that we are worried about but they have not had a test program that would cause us to believe that it is a very credible threat." Since that time, apparently, they have engaged four more tests of that system, only two of which have been characterized by CRS as a success. There is one Defense Department consultant—Nicholas Johnson—who said that the four tests were almost uniformly unsuccessful. So the question is, have they really made much gain since 1979 when Lew Allen issued a statement that we did not have to fear at this point a threat.

I raise this issue because I am trying to determine whether or not we should make some approach to the Soviets at this point before we start off on another type of race, given the fact that we have a rather successful system after having a few tests; whether or not we want to see if we cannot engage the Soviets in some dialog on the issue of controlling that weapon. My understanding is you have not done anything along these lines. I would like to know, given the track record of the Soviets, once they find their particular system is not that attractive or credible, isn't it only going to be a short period of time before their equipment is directed at copying ours?

So once again, looking at the potential billions of dollars involved, do you think it makes sense to try some sort of dialog on these systems now, when we have the technological edge, our system is better than theirs? We better pursue this post-haste for the defense of this country. What is your opinion on that?

General GABRIEL. I would have to give you my judgment. I know this is being worked very seriously at a higher level right now. Your first question about whether or not they have made any progress over the last years since General Jones' comment in 1979—yes, I think they have. They have what I will term a limited capability for the low altitude orbit, but they have a capability. We don't have a capability and some would say that the Soviets have never negotiated sincerely, meaningfully, unless we have something to negotiate.

F-15 LAUNCH SYSTEM

Senator COHEN. Do you know that our F-15 launch system is on a par with what they have tested to date?

General GABRIEL. Well, we have not demonstrated anything other than shooting it from the F-15 into space. Ours is a different technology from the Soviets' and I think ours is a better technology, a higher confidence technology. And it is a question of how far you have to go to get yourself something to negotiate. But it is something I think we ought to be serious about negotiating if you can verify their system and ours, what they have to break it up and so forth. If we have got those things ironed out, I think it is worth a stab.

Chairman TOWER. Senator Cohen, your time is up.

Senator COHEN. Thank you, Mr. Chairman. I will finish the question.

Chairman TOWER. Let me say that I have been before the Rules Committee in the same position as these two gentlemen are trying to get money for the committee.

Senator COHEN. I am trying to save you money, Mr. Chairman.

Do you balance our system where it is today with the Soviets', where you know it is today, to say that you are satisfied that we are in a position with at least equality if not superiority?

General GABRIEL. That is awfully hard to say. Although we have had only one shot and have not shot at anything, I have pretty high confidence that we are on the right trail.

Senator COHEN. Thank you.

Chairman TOWER. Senator Nunn.

Senator NUNN. Mr. Chairman, I would defer to those who were here earlier. Senator Bingaman was here earlier.

Chairman TOWER. Senator Bingaman has already had his turn at bat.

Senator Stennis?

SPACE COMMAND

Senator STENNIS. Mr. Chairman, I will be brief. I have been reading about the Space Command and so forth and would like to know how much money the Air Force spends on your space budget, if that is the right term to use? You have taken funds away from your men and your other operations. I would like to know how much it is.

General GABRIEL. Senator, I will have to provide that for the record. A little over a year ago we activated the Air Force Space Command in Colorado Springs. We have been active in space for about 25 years;

we have been watching Soviet space activities for about 10 years from the Space Defense Operation Center in the Cheyenne Mountain. We have been doing those things. As a matter of saying just where you cost all that in terms of what NORAD and Air Defense Command are doing and what Space Command is doing, we will provide that for the record for you.

[The information follows:]

SPACE BUDGET

The proposed fiscal year 1985 Air Force budget request for space and space related activities is approximately $10.3 billion dollars in all appropriations. This figure represents roughly 9.5 percent of the $108.7 billion fiscal year 1985 Air Force Total Obligation Authority. This is the same percentage as the fiscal year 1984 appropriation.

The Air Force Space Command combined many previously existing space activities under one command. The Air Force Space Command fiscal year 1985 budget request supporting Base Operations, Management Headquarters, and Real Property Maintenance is approximately $198 million. Development, acquisition, and operating costs for the systems that Space Command operates are budgeted in the individual program lines. For example, Space Command will operate the Consolidated Space Operations Center (CSOC), slated for operational use in fiscal year 1987. The fiscal year 1985 budget request for CSOC in all appropriations is approximately $286 million.

Currently, most Air Force satellites are controlled through the Air Force Satellite Control Facility (AFSCF) which is part of Air Force Systems Command, the research, development and acquisition arm of the Air Force. The fiscal year 1985 request for the AFSCF in all appropriations is approximately $228 million.

Air Force space and space-related activities fall into over 80 budget programs that can be broken into the following categories:

	Millions
Navigation	$445
Communications	1,048
Warning	567
Weather	269
Launch vehicles	1,535
Ground support	1,025
Supporting R&D	296
General support (including special activities)	5,093
Total	10,279

DOD is currently compiling the annual (fiscal year 1984) "DOD Space and Space-Related Program Data" book. This book contains all the details on Air Force space and space-related activities as well as the other services' space activities. The book is provided for the record by DOD each year in April when it is published.

Senator STENNIS. You are going to provide how much you put in it on a yearly basis?

General GABRIEL. Yes, sir. The one thing we are doing now is the Consolidated Space Operations Center [CSOC] in Colorado Springs. We do have certain figures on that and for the control of the satellites. That would be one of the primary costs in the budget.

Senator STENNIS. Has it been established that the services are going to have separate space commands or will there be a unified command?

General GABRIEL. We, of course, have made the recommendation that there be a unified space command. That decision, of course, has not been made from the higher level.

Senator STENNIS. It is not reflected then in this budget?

General GABRIEL. No unified space command has been reflected in this budget. I suspect eventually it would still be reflected in the service budgets but the components would do the spending of the moneys within the Air Force or the Navy—whoever the unified space commander will be in that budget.

Senator STENNIS. Well, it seems to me that you should distribute more data about this. We have to decide what programs to authorize, and we have a limited amount of money we can spend.

Do you have plans then to get something definite on this as soon as you can?

General GABRIEL. Yes, sir. We have made recommendations—a matter of time, I hope.

Senator STENNIS. Well, I don't know whether you have gone over it lately but I am told that in last year's report a memorandum showed $9 billion expended to the Air Force alone. Are you familiar with that?

General GABRIEL. The $9 billion, I believe that includes everything we do in space in terms of our sensors and surveillance and what not. Yes, that is about right.

Senator STENNIS. You should take a look at that.

I imagine, Mr. Chairman, that all members would be interested.

General GABRIEL. That is the——

Senator STENNIS. Money cost.

General GABRIEL. Yes, including NORAD and that has responsibility, of course, for tactical warning and attack assessment. That is what all those sensors in space are for.

Senator STENNIS. Well, as I understood you gentlemen are here to justify the budget. And you do a good job with your assignment. However, we have to have hard figures as soon as you can.

I have nothing further, Mr. Chairman.

Chairman TOWER. Senator Wilson?

Senator WILSON. Thank you, Mr. Chairman.

AIRLIFT MASTER PLAN

General Gabriel, Congress has recently been given the Airlift Master Plan. Can we in Congress assume that the Airlift Master Plan is supported by all the services for modernization of our airlift forces both intertheater and intratheater?

General GABRIEL. Yes, sir, Senator Wilson, you can. That has been covered in the JCS with the other Chiefs, and we have strong support from the other services.

Senator WILSON. What in your opinion, sir, would be the impact if the C–17 were to either slip or be delayed in the 1985 submission for full-scale engineering development?

General GABRIEL. The impact would be that it would take us longer to reach our goal, we are shooting for 66 million ton-miles per day. It would impact, of course, intertheater airlift depending on how long a slip and intratheater in terms of the outsize capability to move things around in the theater. It would impact both inter- and intratheater airlift. At the end of this 5-year period we will be up a little over 50 million ton-miles a day; we are going for 66 million ton-miles a day. The only way we can get there is to have that add-on capability of the C–17.

Senator WILSON. The master plan appears to overlook tactical airlift. What does the Air Force intend to do about tactical airlift capability.

General GABRIEL. Well, we now intend, of course, to keep the C–130's; when we have a lot of them there. We are trying to keep them alive as well as we can today. We have a modification program to strengthen their wings. The master plan does say that the C–17 would eventually replace the C–141's and would replace capability in that role and the 141 lost as older C–130's are retired.

EMPLOYING BOMBER MIX

Senator WILSON. Secretary Orr, let me ask you, does the Air Force adequately understand how a mix of B–1 bombers in the Strategic Air Command would be employed?

Secretary ORR. Yes, sir; I believe we understand the mix against the different targets that each is most capable of hitting.

Senator WILSON. I would be interested in your pursuing that for strengths.

Secretary ORR. Let me say in general that the history of bombers is that the newest bomber is the penetrator and the oldest bomber, which is no longer able to penetrate as well, is the one that in today's parlance is the standoff cruise missile carrier. As we bring in the B–1B, we are phasing in the B–52 as a cruise missile carrier, and I think we announced two additional bases in this budget where we've put B–52's equipped with ALCM's. When the advanced technology bomber comes in and it is fully operational, it will become the penetrating bomber and the B–1 will also become a cruise missile carrier.

I would like to say, Senator, that when I refer to the term "penetrate," we have to realize that any bomber could probably penetrate parts of the Soviet Union that are less well defended. The greater the value of the target, the more highly defended. So the B–52 for years to come can penetrate and attack some areas of the Soviet Union. So penetration refers in a sense to the strategic target that you are trying to get to. And we think that by the time the advanced technology bomber comes in, the B–1 will still penetrate certain parts of the Soviet Union but by and large we will convert it into a cruise missile carrier.

Senator WILSON. Thank you.

Thank you, Mr. Chairman.

Senator NUNN [presiding]. First, Mr. Secretary and General, we are delighted to have you here this morning. I was with the chairman defending our budget or I would have been here observing yours. It is easier to sit on this side of the table and ask questions than it is to be on the other side defending the budget. I understand your position very well. I also have a short statement I would like to insert for the record.

[Prepared statement by Senator Nunn follows:]

PREPARED STATEMENT OF SENATOR SAM NUNN

Mr. Chairman, I join you in welcoming Secretary Orr and General Gabriel to the Committee this morning.

The Air Force budget request reflects the increasing costs of force structure decisions made within the last two years. Significant production funds are requested for expanded and modernized forces in the intercontinental ballistic missile, strategic bomber, and airlift mission areas.

The challenge the Committee faces in reviewing this year's budget request will be to deal with an overall reduction in the budget level without significantly disrupting the most promising programs. I am concerned that we have committed ourselves to so many expensive modernization programs that the temptation will be to target reductions toward the limited discretionary areas of operations and maintenance, readiness, unglamorous but high leverage items such as improved munitions, and the seed money for the future—research and development.

I realize that there is a reluctance to reopen previous decisions. However, I believe that we should critically review our prior year commitments in the cold light of today's budget realities. We need to consider what strategy the program supports, what capabilities we've obtained for the money already invested, what the priorities are for allocation of constrained resources, and what organizational changes are needed to insure these decisions result in maximum deterrence and combat capability.

As importantly, we need to be sensitive to changing priorities and windows of opportunity for new initiatives. The Air Force today faces exciting opportunities to increase our overall defense capability through cooperation with the Army in the Airland Battle concept, with NATO in the use of emerging technologies to increase our conventional defensive capability, and with the Navy in enhanced maritime surveillance and sea lane control.

We must face the fact that the money just won't be there for some of the programs in this budget. The Air Force—as the other services—should be flexible and rethink priorities based upon reality rather than allowing programs to run their course simply because of prior year commitments.

I will be asking some specific questions along these lines later in the morning.

Senator NUNN. Last year in the appropriations conference report there was a mandate by law for the Air Force to transfer two C–141 squadrons to the Air Guard. This year's budget indicates that you are transferring C–5's to Kelly Air Force Base in Texas to the Air Force Reserve. Now how do those two interplay? Are you meeting the requirements of the law?

General GABRIEL. Well, we are going to meet the requirements. The reason we are transferring C–5's to Kelly is very obvious. The C–5 is much more suited to the Guard mission primarily because you don't need all the capability of the C–5 in peacetime; it is a wartime machine. The C–141 has just about gotten "maxed out" in terms of peacetime requirements. The Guard and the Reserve will not be able to give us the sorties that we would need. It would put a heavier load on the active C–141 squadrons if we transfer them and that is the reason we are dealing with it. We will later meet that rquirement or ask you to change it. We would have operational degradation if we transfer the C–141's and enter into a conversion period. That would bring down the operational readiness of those units while you are transitioning, and we would rather not do that.

Senator NUNN. Well, the Guard argues that they can meet all those operational requirements and they do it all the time. I guess the question I have, General, is are you or are you not going to carry out the mandate in the law?

General GABRIEL. Well, we would like to come and talk to you about it.

Senator NUNN. That sounds like no. I don't think a mandate is meant to say we invite you to come over and talk. It was not my mandate. I didn't put it on there: I was not on the committee, but it is a mandate in the law.

Secretary **Orr.** May I interrupt to say we surely want to carry out the mandate in the law. We wanted to make an effort first to see if we could get the law changed, but I would like to talk about the Guard. If you will bring the Director of the Guard over here, he is not particularly anxious to take C–141's in and fly them 7 days a week. It is going to strain him tremendously. He can take C–5's because they don't fly that many hours a month and the Guard can handle that very comfortably. But the C–141 is very stressed—requires many flying hours. Since the Guard does not anticipate flying it daily, getting those flying hours is not an easy mission.

Senator **Nunn.** I would like to talk to you about it and we will pursue it. There are a good many people over here that are very concerned about that provision and they have talked to me about it. I have no interest in it one way or another, but it is moving in a different direction than a lot of people were led to believe last year and they are very concerned about it.

General Gabriel, does the 1985 Air Force request contribute to the joint programs that General Rogers has defined as being so important in NATO to increase our conventional capability and to raise the nuclear threshold? I mention particularly the JSTARS and the JTACMS programs and I really want to know if the Air Force and Army have resolved the differences over those programs. Are we all marching to the same drumbeat now?

General **Gabriel.** We have not resolved all the problems. It is going to be a little hard to do, but we are working on it and we are talking to General Rogers repeatedly about this. As I say, we have gotten together to discuss it; we agree that that is a very exciting area to get into, the JTMACS in particular. And I will provide you for the record some of the things the Air Force is doing in that respect. We had a problem getting a joint missile with the Army because the Army wants one thing and we are looking at something else, as you know, and we hope to resolve that in about a month.

[The information follows:]

AIR FORCE/ARMY JOINT PROGRAMS

The Army and the Air Force are working to resolve the Joint Surveillance and Target Attack Radar System (Joint STARS) program. We both realize the need for "electronic high ground" to see enemy ground movers to allow better force allocation by accurate locations and effective attack of key targets. Towards this goal the Program Management Directive was signed and released on February 18, 1984. Together, the Air Force's Tactical Air Command and Army's Training and Doctrine Command have harmonized their respective requirements and are nearing completion of the definitive Joint Statement of Operational Requirements (JSOR) which is now in draft form. Both services agreed on the total system needs for wide-area moving target indicating (MTI) surveillance, for fixed target indicating (FTI) surveillance, and for weapon guidance. Our most important agreement is for complete interoperability across systems, so our units can provide mutual support and coordinated actions. A Joint Program Office has been established at Hanscom Air Force Base, Massachusetts, under Air Force lead. The Joint Program Office plans to release the request for proposal in the spring of 1984 with contract awards in August 1984. Early joint program emphasis will be on rapid fielding of the MTI surveillance capability for the OV–ID aircraft, with both services to achieve full MTI, FTI, and weapon guidance capability for both Army and Air Force host aircraft.

In addition, the Army and Air Force have agreed to the following joint statement:

This statement presents the status of the Army-Air Force Joint Tactical Missile System Program. Its purpose is to illuminate the considerable effort which both services are undertaking to jointly develop the requirements for this missile system and to reaffirm the funding commitment the services have to a weapon which meets these requirements.

The Army and Air Force continue to support development of a conventional capability under the Joint Tactical Missile System Program which would enable Army forces to engage key targets with surface-to-surface means beyond the range of cannon and rocket artillery and provide the Air Force with an improved standoff weapons capability. Both services are currently working to establish the joint requirements for a Joint Tactical Missile System (JTACMS). These requirements are directed to insure development of effective and affordable combat capabilities which maximize the use of existing personnel and materiel resources, capitalize on emerging technologies, and significantly improve the ability of the services to conduct joint airland battle operations.

Both services are presently engaged in intensive analyses to quantify and define their operational requirements. Three efforts, in particular, deserve mention:

(1) A Joint U.S. Army-Air Force Development Group was formed and charged by both Chiefs of Staff to review the combat capabilities of both services and recommend adjustments to the services' FY 86–90 POOMs. Their task is to ensure the two services are fielding the best affordable airland combat force which minimizes system duplication without jeopardizing force effectiveness. In addition to other specific systems, this group is reviewing the JTACMS program. Its findings will be available after mid-March 1984.

(2) The Air Force has completed a preliminary conventional standoff weapons analysis which was used as an input in developing the Air Force statement of operational requirements for standoff weapons. This study examined the cost and effectiveness of cruise and ballistic missiles as well as manned aircraft in attacking second echelon targets. The target sets examined included SAM sites, airfields, bridges, other fixed interdiction targets, and mobile force elements. The Air Force has released a Request for Information (RFI) to industry for the purpose of obtaining information on the options available to meet the Air Force extended range standoff weapons requirements. The responses will include both ballistic and cruise missile candidates. An evaluation of these responses is scheduled to be completed by February 29, 1984.

(3) The Army analysis of options to satisfy its need for JTACMS is planned for completion about 1 April 1984. This analysis includes rigorous modeling to understand the attrition and force ratio consequences of various options as well as qualitative analysis of the aspects of Army requirements not appropriate for an attrition-based computer model. Options being considered in this analysis include variants of the Lance, Patriot, MLRS, and direct combat systems, in order to understand the number of possibilities available for engaging key targets in depth beyond the range of the forces directly in contact. Both this and the Air Force analysis are structured to cover the full range of possibilities for a JTACMS.

At the completion of these analyses, the services will be in a good position to refine their specific requirements in a Joint Statement of Operational Requirements (JSOR) and complete the on-going draft of a Request for Proposal. The outcome of this joint effort will permit the services to have the best justification and definition of the service-unique and joint aspects of the program before going to industry for detailed proposals.

Following completion of the JSOR and the publication of the Request for Proposal, the services will be in a position to enter into full scale development contracts. We will be in a better position to know if this plan is advisable following the completion of the detailed analyses and the final definition of the service-unique and joint requirements. However, present plans call for contracts to be let in the latter portion of this fiscal year.

Both services are committed to the best practical joint program and reaffirm their fiscal commitments: The Army has the lead in this joint program and has agreed to funding totaling $79M in fiscal year 1985, and $702M for fiscal year 1986–89. The Air Force funding totals $36M in fiscal year 1985, and $546M in fiscal year 1986–89.

Senator NUNN. I hope you can. I don't know the technical details and don't pretend to, but last year we were in a situation where the President of the United States, the Secretary of Defense, and the head of our NATO forces had all made strong pitches to our allies about what we were going to do in this area and here while that same thing was going on we had a lot of discord behind the scenes and a lot of mixed signals in the services and the committees. I don't know the answer to the problem. I do think when this is a major priority of the President of the United States and that the services ought to do the very best to get these things ironed out, particularly before this debate starts.

General GABRIEL. I agree and we are doing our best to do that. But we have got to get something we can carry on fighters and bombers, and we will use as much as we can in common. I think we might come up with something that would impress most people, and I would like to provide you with what we are doing in particular. I did mention the JSTARS and we have a good plan to do that, too; it will be a common radar.

Senator NUNN. Good. We will stay in close touch during the next few months on that.

TACTICAL FORCES

Next, have you looked, General Gabriel or Secretary Orr, at the implications for the Air Force tactical side or general purpose side if basically we fence the strategic programs to protect those? You have said those are your top priorities as I understand it in your statement. If we fence those programs and hold them harmless and then reduce the overall defense budget down to the congressional budget resolution of last year which was 5 percent growth rather than 13, have you looked at how that would affect the Air Force general purpose and tactical forces if that is done?

General GABRIEL. Yes, sir, we have, and my biggest concern depending on the level of the cut is the readiness account, O&M, and the effect it would have on parts, spares, and munitions. We would hope to be able to keep the fighter production online; we are not building that much. We are still far below what we had hoped to build. But again there is a better return on the dollar if you make sure that what you have got you are going to be able to fight with the maximum. And that is the reason I am concerned.

I know in these committees over here, you do support us on the readiness O&M account and that is the one though that is attacked when you have to fence programs. And there are very few other things that you can draw from so this will be something we are very much aware of. It would depend on the level of the cut, and I think if we take some cuts we would have to adjust without doing a lot of damage to the readiness account.

Senator NUNN. Talking about the readiness account which I share your concern on, if you looked at the Air Force ratings for squadrons which are combat ready today and compared them to the ones for 1980, would they be more or less?

General GABRIEL. Quite a bit more. We have the highest operational readiness rates that we have ever had, and I believe the F-16 was the highest and the F-15 was right next to it in terms of OR rates last year.

Senator NUNN. And that would be more Air Force squadrons fully or substantially combat ready than at the end of 1980?

General GABRIEL. Oh, yes.

Senator Nunn. What date are you using?

General Gabriel. The data?

Senator Nunn. No, what date.

General Gabriel. 1980 to 1983. I am just going on the trend, and I would have to supply what date—are you concerned about sometime in 1983, I guess, or right now, either one?

Senator Nunn. Well, that is contrary to the information I have. The details are classified but I will furnish you what we have.

[The information follows:]

Readiness

In April of 1980, the Joint Chiefs of Staff implemented the current set of readiness standards for the four services. These standards measure resources to support wartime requirements. The earlier system had measured authorized resources for peacetime. This was a significant change in our capability to measure a unit's readiness against its wartime mission. We experienced a lengthy learning curve as our units became familiar with new procedures and criteria. This resulted in a gradual rather than immediate decrease in C-ratings which would normally be expected when more stringent criteria are levied. While we were adapting to the new reporting system, we were also converting a large number of units to newer, more modern weapon systems. As these new systems came on board and as existing systems were modernized and modified, the requirements for resources, primarily spare parts, grew at a significant rate.

To better assess the more critical warfighting assets, we subsequently further refined our measurement system. This refinement, coupled with our ability to better define requirements, is largely responsible for the resultant shift in C-ratings from 1980 to 1983. The C-rating data you provided is essentially correct in comparing the number of active units substantially combat ready (C-2) and fully combat ready (C-1) over the last three years. [Deleted]

While the substantially combat ready and fully combat ready definitions describe a higher degree of combat readiness, we must consider units marginally combat ready (C-3) that also fall under the overall category of combat ready. If all three levels of combat ready units are considered, we show a slightly different picture. [Deleted.] It is important to note that unit resource requirements (measured for readiness) grew significantly during this period as a result of modifications, modernization, and force structure growth. By definition, C-3 units have a significant degree of combat capability and are counted when considering the overall readiness of our units to respond to combat tasking. Units that are not combat ready (C-4) and units in conversion (C-5) are not counted in the readiness equation.

While the C-ratings show our unit shortages today and identify where resource allocations need to be made, they do not tell the full story of our combat capability. Beyond C-ratings, other factors help us evaluate combat capability, including the real ability to fly and fight combat sorties. For example, spares support for combat fighter aircraft have increased the number of combat sorties that can be flown by over 60 percent since 1980, a significant growth in capability and sustainability. In addition, our crews are flying more and training better and more realistically.

General Gabriel. OK.

Senator Nunn. I would like to get that dated because the report I have is just the opposite.

General Gabriel. In terms of combat ready, first quarter?

Senator Nunn. Yes.

General Gabriel. OK.

FIGHTER ENGINE COMPETITION

Senator Nunn. Mr. Secretary, on the recent engine decision first I want to say that I share the Air Force and Defense Department's emphasis on more competition. I think that is very healthy and it has been something we have needed for a long time. There are some people who are concerned as to whether we really are having a true competition when one engine has a higher thrust than the other engine.

My question is did your decision take into account this higher thrust? Was that a factor, and if so, how important a factor in your decision and your allocation on the engine contract?

Secretary **Orr**. That is an easy one to answer, Senator. The thrust was not a factor, it is not a factor now. Either engine can operate in either plane. The actual fact is that the General Electric engine has more thrust, but it has approximately 700 pounds more weight. My information says that mounted outside the plane at sea level, the actual thrust-to-weight ratio of the Pratt & Whitney engine is slightly greater than the thrust-to-weight ratio of the General Electric engine. When it is mounted in an F-16, I believe the difference narrows to approximately 20,000-plus pounds for the GE and 19,000-plus pounds for the Pratt & Whitney. It narrows down to a little less than a thousand pounds, and it was not a factor in the decision.

Senator **Nunn**. Is it your goal to keep this competition alive to keep both companies in the competitive business?

Secretary **Orr**. Senator, I think we made tremendous progress by keeping them both in it and that is one reason we made a 1-year decision and we said next year we will look at our market and we will look at the offerings and we will make another decision next year.

Senator **Nunn**. Do you think there is a possibility that the higher thrust engine could become a part of the requirement in the competition in the years ahead?

Secretary **Orr**. In this particular engine I do not think so. I do not think that for the F-15 and the F-16 as they are now configured that thrust is a factor. Five years or more down the line we may offer both companies a chance to upgrade their engine but that is not in our present plan.

Senator **Nunn**. Would you agree with me that if a higher thrust becomes a factor that it would be important to have two competitors who can compete and not again get into a situation where there is only one?

Secretary **Orr**. Wholeheartedly I agree with you.

Senator **Nunn**. Did the Air Force, Mr. Secretary, consider the 100-percent option that was in the Request for Proposal?

Secretary **Orr**. Yes, sir. Both companies made very attractive 100-percent offers and frankly either of the 100-percent offers would have saved us money over the split decision but we would have also got right back where we are now into a sole source position, and I think the long-term benefit to the U.S. Air Force and Government is substantially enhanced by having a split bid.

Senator **Nunn**. So what you are saying is that the Air Force could have selected either of the 100-percent options and gotten a better price.

Secretary **Orr**. Yes, sir.

Senator **Nunn**. In a 1-year period or over a 5-year period or over what period?

Secretary **Orr**. I think we would have gotten a better price—we had three options: 1 year, 3 years or 5 years.

Senator NUNN. Would you furnish for the record the amount that you would have saved on each one of those for each engine?

Secretary ORR. Yes, sir.

[The information follows:]

FIGHTER ENGINE COMPETITION

For the purpose of comparison, the initial award split placing the F100-P-220 engine in the F-15 and the F110 engine in the F-16 is assumed to be maintained. While this is not necessarily the case, it provides the basis for comparing the relative cost of a typical split award and the 100 percent awards to either contractor. Further, these comparisons are for Air Force fighter roadmap quantities of F-15s and F-16s to be acquired over the six fiscal year buys (fiscal years 1985–90). The costs are then shown in fiscal year 1983 base year dollars as 20-year ownership costs for the approximately 2,000 installed, spare, and trainer engines to be acquired over the six-year period.

COST (B$)/SAVINGS (B$)/% SAVINGS

	ANNUAL BUYS (6)	ANNUAL BUY 3YR MY + ANNUAL BUYS (2)	ANNUAL + 5YR MY
Split Award	17.32/-/-	17.05/-/-	16.97/-/-
100% P&W	16.39/0.93/5.3	16.03/1.02/6	15.99/.91/5.4
100% GE	16.25/1.07/6.2	15.93/1.12/7	15.74/1.16/6.9

It is important to note that the approximate $17B cost for a split award over 20 years compares to about $19.5B projected for an equivalent number of the current F100 engines over the same period.

Senator NUNN. Now what you are saying is that you did not take that opportunity because you felt if you did that, that would move back into a sole source?

Secretary ORR. That is correct, Senator. We had just been through 14 years of sole source, and we didn't get this kind of an engine until we went into competition and having gotten it I don't want to go out of competition and find that we deny ourselves the future benefits.

Senator NUNN. Do you have any way of measuring that kind of potential advantage of keeping the competition alive and measure that against the advantage you would have had pricewise to go the 100-percent route? Was there a way to do that in an objective way?

Secretary ORR. I think we paid about a 5-percent premium to split the buy which is money I think will be more than made up in the years to come by keeping strong competition.

Senator NUNN. So it is your intention to keep this competition alive?

Secretary ORR. I would like to keep it. If it becomes so evident that one engine or one offer, one proposition is outstandingly different, then it will be looked at again as a sole source; but right at the moment, it looks to me like the best benefit is to maintain the competition in some ratio.

Senator NUNN. What does that 5 percent convert to in terms of dollars, over what period, do you know?

Secretary **Orr**. No, sir. I will furnish that for the record.
[The information follows:]

FIGHTER ENGINE COMPETITION

To put this in context, with current data we estimate that a 100 percent award to either General Electric or Pratt & Whitney would result in a 20 year savings of approximately 15 percent compared to continuing in the sole source posture which existed prior to the award of this contract. Splitting the award will still result in a savings on the order of 10 percent vice 15 percent while maintaining a competitive base. We therefore pay a premium of approximately 5 percent over a 20 year ownership period to allow for continued competition and to maintain two engine manufacturers in the high thrust fighter engine business. Had Pratt & Whitney received a 100 percent award the estimated cost would have been $930M less than the proposed split award. Had General Electric received a full award it would have been $1,070M less than the proposed split award.

Senator **Nunn**. Mr. Chairman, I think my time has expired. I have other questions for the record.

BOMBER/FIGHTER ENGINE COMPETITION

Chairman **Tower**. I will follow up Senator Nunn's questions because I was going to inquire about this bomber/fighter competition myself. I agree that there is a great deal of value in preserving competition, one that can't be easily measured. The fact that we had any competition is going to save money at this point and result in a better product.

Would you advise the committee whether or not both engines are required to meet the same standards?

Secretary **Orr**. Yes, sir, they are.

Chairman **Tower**. Now if you buy one engine for the F-16 and another for the F-15, will these engines be interchangeable?

Secretary **Orr**. The arrangement has been made so that either engine can go in either plane.

Chairman **Tower**. As I understand it, the result of the competition or the result of the decision was that it would be about at 75/25 breakdown, 75 percent of the acquisition going for the GE F-110 and 25 percent for the Pratt & Whitney F-100. Does that keep Pratt & Whitney in a competitive position? Is there any risk that Pratt & Whitney might ultimately go out of the engine business?

Secretary **Orr**. Let me say that that particular split is exactly accurate as the contract was let but as the planes will be built that first year the split is much closer to 40/60 because Pratt & Whitney has the early part of the year's business already and if we were—we are not planning to do it just this way—but if we were to confine the General Electric engine to the F-16 and the Pratt/Whitney engine to the F-15, it would result in approximately a 40/60 split. It is not as severe as the 75/25 which only picked up part of the year.

Senator **Nunn**. Would the Senator yield for just a followup on that particular point?

Chairman **Tower**. Yes.

Senator **Nunn**. Have you taken into account the funding profiles for the F-15 and F-16 and if you fund an F-15 there is an inevitable shift toward the F-16 rather than the F-15 in making this balance?

Secretary **Orr**. In the funding that I had set forth we used a fighter road map, Senator, which includes 216 F-16's and 60 F-15's. Now that is more of both planes than you are funding at the present time but the proportion is not far different from what you have been funding.

Chairman **Tower**. Well, my immediate reaction is supportive of what decisions you have made even though we are going to pay you a premium for reserving the competition. I think that even if we could not make it all up, there is a certain value to having the competition and having the two sources.

Secretary **Orr**. Mr. Chairman, if I could, I thank you for that.

Chairman **Tower**. That ought to be for the better product.

Secretary **Orr**. I just wanted to thank you very much for that, and we do intend to keep competition. I would not want anything I have said to indicate that the Air Force is committed that one engine will always go in one plane and one in the other. In next year's competition we expect to keep some F-16's in a swing basis and have one or the other engine, depending on which one we choose to select, so both competitors will know there is more business out there ahead of them.

COMBAT READINESS

Chairman **Tower**. Getting back to this readiness question that Senator Nunn raised, General Gabriel, you testified that combat readiness has improved substantially over the last 3 years. To what factors do you attribute this? We in the Congress set the initiative ourselves in 1980 in providing additional funding for spare parts. That was a congressional initiative and of course we would like to think that it has paid off. We also took initiatives in raising the pay and benefits so that we could improve our retention rate. Senator Nunn was very active in that himself. I would just like to hear from you what you attribute this improved readiness to.

General **Gabriel**. Well, Mr. Chairman, thank you for the question. I was in Europe in 1980 and I can readily attest to the difference today compared to what we had in those days. As I mentioned earlier, we were getting at that time about 14 or 15 flying hours or more per month per crew and now we are getting about 20 this year. That is one very obvious result of what you have done. We have spent a lot of money over those 3 years, and it takes really a couple or 3 years in order to get the full impact of what you spent in 1980.

That was not just in fighters. The C-5's and C-141's in particular are getting better today than they were then because we did spend a lot of money for the parts and spares. We have also improved the B-52, and I will have to admit the B-52 is mighty hard to fly. That is a pretty old airplane and it costs more money, and it is much harder to maintain. That might be Senator Nunn's concern.

Senator **Nunn**. No, sir.

Mr. Chairman, if I could interrupt for a moment.

General, these charts are classified. I will ask one of the staff people to show them to you.

I am afraid that we are in a situation where you are changing definitions because these charts show clearly that in 1980 you had more combat ready squadrons than you do today and this comes right from the Secretary of Defense's position now. If you are in the process of changing your readiness standards, there should be a clear definition so we have a point of reference and also so that we can see where the money is going.

General GABRIEL. We didn't explain to you the difference? We shifted gears in our readiness measurements.

Senator NUNN. When?

General GABRIEL. I don't know precisely, but it was after I came back from Europe.

Senator NUNN. I know the military is not supposed to be involved in political matters, and I don't want you to, but you have to recognize that a substantial portion of the campaign in 1980 was run on the question of readiness. Now we have everybody saying that readiness has increased dramatically. However, you have changed the definition since that time. It seems to me you should explain when and why you changed your definitions because they show that you have gone down in readiness, not up.

Chairman TOWER. Let me point out, Senator Nunn, that I referred back to a congressional interpretation taken in 1980 before the election.

Senator NUNN. You and I are in complete accord, Mr. Chairman.

Chairman TOWER. I think these initiatives we took then on parts, operation, maintenance, and pay have paid off.

Senator NUNN. I agree.

General GABRIEL. You have visible evidence of it.

Senator NUNN. I think there is a real question about the test we use for readiness.

General GABRIEL. I agree, and I have been concerned all along about the C-ratings that you talked about and are concerned about. That is a logistics management tool to tell the maintainers out there what they have got to fix. I can take you to any squadron room and show you the X's up there on the charts and they will say, "This plane has a problem." OK. Maybe one of the eight launcher rails has a problem, or the navigational light won't work. You have about seven-eighths combat capability but in maintenance they have got a problem to fix. I think we have a perception problem between the Congress and us about how we use these ratings as snapshots to tell maintenance what they have to fix.

Now here is another thing. If you are flying a lot, it is kind of like a taxi company. If you have a lot of business, you are driving a lot and you are going to keep a lot in the barn changing tires and batteries and whatnot to fix them. If you are not doing much business, you are going to have a shining OR rating.

Senator NUNN. You better tell the Secretary of Defense this because in his posture statement he is using these same figures, but he is coming to different interpretations based on different parts of the figure.

Chairman TOWER. Let me put this very simply. Do you have fewer hangar queens now?

General GABRIEL. In Europe we were averaging about 26 when I got over there and when I left there were no more than one or two.

Senator NUNN. We may need a definition of that. [Laughter.]

Chairman TOWER. Let me say that it has nothing to do with sex.

Senator NUNN. No implication intended, General.

Chairman TOWER. Now let me get back to the engine competition.

Mr. Secretary, you stated that you plan to buy the F–100's and the F–110's, and 216 F–16's and 60 F–15's in fiscal 1986, right?

Secretary ORR. Or 1987. I am not sure we get up there in 1986. It is a ramp-up and I don't believe we get there in 1986.

Chairman TOWER. Now my question is, if budget reductions force you to reduce the buy of both aircraft, what does that do to competition? Does it still make sense in that circumstance?

Secretary ORR. Yes, sir, I think it still makes sense. I can't conceive of us getting so low in fighter production that it would not make sense. The only limitation at the moment that I know of was a Pratt & Whitney limitation that their price was not effective for a buy less than 100.

Chairman TOWER. Thank you, Mr. Secretary.

Senator Warner?

Senator WARNER. I defer to Senator Goldwater.

DUAL ROLE FIGHTER

Senator GOLDWATER. General Gabriel, to follow up on the dual role fighter, during the flight test of both aircraft, did one demonstrate a significant advantage over the other?

General GABRIEL. Well, yes, in range particularly the F–15 had a better range.

Senator GOLDWATER. Overall?

General GABRIEL. Overall, and the radar was a bit better, yes.

Senator GOLDWATER. How about the intercepter?

General GABRIEL. The intercepter is closer.

Senator GOLDWATER. Thank you for that information.

In your discussions with the Army have you ever come close to abandoning close-air support to helicopter attacks?

General GABRIEL. Well, I told you about that little study group we put together. That is one thing that obviously they will be looking at. We have worked with the Army as you know in what we call the joint air attack team called JAAT out on the west coast. About 5 or 6 years ago we showed that when we worked together the total helicopters and A–10's in close quarters, you get about twice as many target kills and you suffer about half the attrition.

If the TOWS do their thing on standoff, the A–10's circle around and divide their attention, you could get about twice the kills and half the attrition and it is not exactly that but close. So the Army very much loves the A–10, they think it is an effective weapon. It has never been used, of course, in combat yet; it is still to be proven. But that 30 millimeter is a hell of a good tank killer, and the Maverick is a good weapon when you give it some standoff. But as I mentioned before, all these things, including doctrine, roles, and missions, are on hold as we continue discussions with the Army. The helicopter will have trouble penetrating along the front and the A–10 will not go forward but it will get right behind it at point of contact.

GROUND SUPPORT AIRCRAFT COMMAND

Senator GOLDWATER. In the theater, who would have command over the ground support aircraft? Would that be split between the Army and the Air Force or would it be concentrated in one and augmented by the other?

General GABRIEL. Well, if we are fighting in Europe, of course, that will be decided by the theater commander but as it comes to the theater for tactical control it will be combined operations. The Air Force has, of course, the responsibility for being the air commander and sector commander there normally and that is the way it would work and there is not a problem with the Army. The problem sometimes could be in altitude separation. Helicopters—this is normal operations—fly below a certain level, and fast movers stay above it. But then in wartime those things would sort themselves out pretty quick.

AGE AND PERSONNEL

Senator GOLDWATER. Thank you. I have one more comment. When the three of us were discussing the constant problem of age and personnel in the Air Force, you indicated that you have been working on this. I hope that you will continue with this because I don't see any sense in having a highly competent aircraft mechanic get out of uniform at the age of 46, 47, or 48 and go out into the civilian field. I don't think the limitation on flight time of officers, pilots should be what it is today. I think it should be much more flexible. I think it will prove that you don't have to be 18 or 20 years old to be a fighter pilot or an observer.

So I would like to see a decision that would make it possible for more men to stay in uniform in the Air Force for longer than they are now. I see far too many young men, pilots, getting out because they are no longer flying. I see far too many highly competent mechanics getting out because they have to. I would hope that the two of you get your heads together and offset this low level of age requirement that we have. Let's keep our competency level and I think it will pay off.

Chairman TOWER. Reserve major generals.

Senator GOLDWATER. Well, I am not volunteering for Lebanon but I certainly have the experience. [Laughter.]

Chairman TOWER. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Senator NUNN. Would the Senator yield just for a moment before Senator Goldwater leaves. I agree with what you said completely, Barry. We worked for 4 years on what is known as the DOPMA legislation, the Defense Officer Personnel Management Act, and that was the up-or-out policy. That is what you are getting to, up-or-out policy. For 4 years we tried to get the services to modify the up-or-out policy, not just the Air Force. They are very much opposed to it because it goes to their promotion system and so forth.

Finally there was variation over here in the Senate on two occasions that did substantially modify the up-or-out policy over the opposition of the services. We have had a compromise in conference that gave a little bit more discretion to the Secretary of the Air Force to modify that and retain people in grade for longer periods of time so they would not have to be retired. However, it is my view that it is time, as the Senator has just said, in a technologically driven age where skills are essential, for the services to take a whole new look at the up-or-out policy.

Maybe we were ahead of the times back there but if you don't do this, you are not going to be able to compete with private industry for the kind of technological skills you will need in the future. The up-or-out policy is working against the best interests of the services in my opinion.

Senator **Goldwater**. Thank you, Senator.

I might just comment on leaving that when I became a second lieutenant in 1930 my captain had had 35 years of service and he made captain and he was very happy about it.

Secretary **Orr**. Mr. Chairman, it is not necessary for the Senator to stay but for the benefit of those who didn't hear our conversation about what I have been exploring in the Air Force it is the possibility of extending the age at which people must go out. For instance, General Gabriel must go out at 35 years of service. I have been exploring the possibility that in 2 or 3 years we would up that 1 year, 3 years later another year until we got, for instance, 4 years and similar for enlisted personnel. Add another 5 years but do it very gradually so you don't choke off at one time everybody's promotion but phase it in so in 15 or 20 years people will have the opportunity to stay 40 years and enlisted people may be 33 instead of 30.

Senator **Nunn**. I agree with that plus you do have more discretion now. The up-or-out policy made a lot of sense. When it was much less technologically inclined, it made sense. I am not quarreling with it in the past but we are in a different era now and what you have to do is to be prepared to say to the military people that your promotions are now going to slow down. That is the only way you can have this kind of policy. You cannot keep one person in longer unless you are going to slow down somebody's promotion behind him. The promotion should not be the main feature of military pay and benefits anyway, you ought to be able to pay people in-grade more so you are really going to have to take a look at the whole picture.

Chairman **Tower**. Senator Warner?

Senator **Warner**. Thank you, Mr. Chairman.

MILITARY RETIREMENT PROGRAM

Secretary Orr, General Gabriel, there is a follow-on with this subject. Let's address the military retirement program. I have always viewed that as a contract that is inviolate entered into by an officer or enlisted person at the time they enter the service. There has been considerable coverage recently, hearings and otherwise, about perhaps changing that system. I would like to hear your views on the importance of maintaining the integrity of that system and removing some of the clouds of doubt circulating around at this time because in my judgment that is an integral part of your retention program today.

Mr. Secretary, would you comment?

Secretary **Orr**. Yes. As I indicated in my opening remarks, Senator, the number one issue when I go to bases is retirement; there is constant agitation in Air Force Times and other papers, Defense papers, about retirement and people are very nervous about it.

We had a rather unusual meeting yesterday. The Joint Chiefs of Staff and the three service Secretaries met on this very issue and sat around for 2 hours and came to the unanimous agreement that it is indeed a vital part of retention, it is a vital part of recruiting in the first place but even more so of retention. The only area that there was a feeling that it was not part of the contract was the feeling on the part of the Navy Secretary and me—not the Army Secretary, Jack Marsh did not agree—that the entire area of all entitlements might need to be looked at, that granting all entitles whether they are retirees or on social security full COLA is something that the Government needs to take a hard look at.

Chairman Tower. In other words, they were not promised the COLA when they came in.

Secretary Orr. That is not part of the explicit contract. However, 94 percent of the people now on active duty entered the Air Force after the 100 percent Consumer Price Index mechanism was put into effect in October 1963. In this regard, I think you would also have to recognize that in times of inflation if you cut COLA very seriously, you cut the stream of income that our people have come to expect out of retirement.

Senator Warner. Well, again, you do regard it as an inviolate contract.

Secretary Orr. We regard it as what the people signed up for when they came in. Nevertheless, the contract can be rendered meaningless if inflation devours it and therefore we have an obligation to provide some protection in the years after the individual has left the service.

Do you share, General Gabriel, in the importance of that?

General Gabriel. Yes; and I would support what Secretary Orr said out of that session. Every place I have been around the world, retirement is important to the troops, not only to the senior people ready to leave but to the two striper that has just been in a short time. That's a contract. Only 13 percent of our people ever get to the point where they draw retirement. Many people don't know that. Pay and overall compensation, vary from year to year and apparently that is not a contract.

It may in fact vary in the pay caps and whatnot but the one thing that is constant is retirement; our people hang on that and that means a heck of a lot to them. I don't think we can overemphasize that point. So, yes, I appreciate the concern for that throughout the services.

Senator Warner. Well, I certainly want to be supportive of the objectives most of you have taken and indeed the Secretary of the Navy Lehman when he testified here before this committee this week.

MANPOWER INCREASE

Turning to another manpower issue, gentlemen, I am concerned about the proposed manpower increase of 15,000. Congress has an obligation to look at this budget in the context of this deficit situation and that is a hard cash item in the sense that 43 percent, as I believe the Secretary of Defense testified, represents the personnel allocation and totality of the Defense budget. Last year Senator Nunn and I and others endeavored to impress upon the services the need to generate some cost-savings through greater use of the Guard and the Reserve yet this year you come forward with that figure of 15,000 which we feel obligated to scrutinize very closely. Have you had an adequate opportunity to put in the record your documentation for that belief?

General Gabriel. It is in our submission, yes, and we will stand on that. But let me say that the Guard and Reserve, the Air Reserve Forces are growing twice as fast—I talked about it earlier in the testimony.

Senator **Warner**. Very well.

General **Gabriel** [continuing]. Are growing twice as fast as the Active is growing and they can handle that. I have talked to both of them. They have just about all they can handle on their plate right now. We cannot take on all these added commitments without the increases requested. We are growing a force, we are building the 44 KC–10's and 50 more C–5's. The Reserve forces handle half of the C–5's for us now and they are going to be taking on more of it. We have other force coming into the tactical area, force extenders like the EF–111, the jammer that we have not had before, and we will give up a wing to put a squadron of those over in Europe. The EF–111, the TR–1, all of these will make us operate a lot better along the front. We cannot bring these things in, including the ground launched cruise missile, without having additional people to go with them and that is the basis for most of that buildup, that plus trying to get more sorties out of the aircraft we have by adding a few maintenance people.

SPARE PARTS

Senator **Warner**. Not that all services are general partners on the issue of spare parts and so forth, I want to bring to your attention the contribution by two Air Force officers who incidentally they are Commanding Officer, General Corder of the Defense Logistics Agency, Virginia, and under his supervision Maj. George Cooper. They developed a program known as the competition advocacy program. Now that was developed by the center in Richmond and is now being adopted defense-wide.

Here is an example. Here is a little cable. This under sole source cost the Government $115. After the Major's program of bidding it and competition went into effect the price was driven down to $11.50.

I would urge your own procurement people to study what is being done by this division of the Department of Defense and to accord recognition to those who are coming up with this type of an issue.

You were about to say something?

Secretary **Orr**. Yes. It strikes me with amazement that this was done by the Defense Logistics Agency. I thought we were so far out in front of the competition advocates that we didn't even see anyone behind us. We have competition advocates now and are staffing them heavily in all five logistics centers. We think we have been way out in front on that. We have had a major problem, Senator, I don't deny it, but we sure are working the issue.

Senator **Warner**. Gentlemen, a little competition is a good thing.

Secretary **Orr**. Yes.

Senator **Warner**. I know that everybody is leaping to the starting gate.

I am just here to ask, number one, that you inform your people about what is being done in another segment of the Defense system and indeed, I think, General Gabriel, two Air Force officers have a very major part of this success story that you might wish to personally look into.

General **Gabriel**. He is a personal friend, General Corder.

STRATEGIC BALLISTIC DEFENSE

Senator **Warner.** Gentlemen, the President's strategic ballistic defense is at issue.

Mr. Secretary, would you outline what your Department will be doing and your feeling with regard to how that management structure at this time is being proposed?

Secretary **Orr.** Senator, I am not able to fully answer that because that is completely in the hands of the Secretary of Defense. It is my understanding that he plans to form a small group around and under him directly that will handle this although the funding will be in the service budgets and the execution of it when it is decided will probably be in the service area to do. At the moment so far as I know he has not formed that small group although I did read he expected to name someone within the very next few days or weeks that would head it.

Senator **Warner.** I recognize that decision is being studied and it has not been made but I must express the concern that the management chain be devised in such a way as to have some direct reporting to the Secretary of Defense. The role of the service secretaries I think should be on a line basis and should not be able to interdict this decision. In view of the fact it is still under study, we will wait for the Secretary to make his decision.

Secretary **Orr.** Since you have served in a position comparable to mine, you know that that is a very sensitive area over there.

Senator **Warner.** Yes, I do.

Secretary **Orr.** And we have made strong presentations to the Office of the Secretary of Defense that there must be strong service participation in this management group.

Senator **Warner.** Participation is one thing but veto power and power to obstruct the progress of the program is something else.

MX SYSTEM

The last item is the MX system. We have a very substantial request now before the Congress for additional missiles. To what extent are we still examining the basing concept?

General **Gabriel.** The basing for the MX will go as is, and we are not studying anything further than that.

Senator **Warner.** You are not making any further studies?

General **Gabriel.** No.

Senator **Warner.** That decision is put to rest?

General **Gabriel.** That decision is put to rest, yes. The only thing we are doing on basing is that some money has been put in this year for the small ICBM basing mode. We are also doing some general studies of hardening.

Senator **Warner.** You would, however, be doing some research on upgrading the means to put it in the existing silos, the hardening and some other things?

General **Gabriel.** We had done a number of studies, as you know, on Closely Spaced Basing, and we had some rather interesting approaches to it but beyond that we don't have plans.

Senator WARNER. Thank you very much.

Thank you, Mr. Chairman.

Secretary ORR. Mr. Chairman, may I add just a word to the Senator's question. There is money in the budget to study hardening but it is not specifically designated for hardening of the MX and Minuteman silo, it is more generic studies of what we may do in the future on hardening.

Senator TOWER. Senator Levin?

Senator LEVIN. Welcome, Mr. Secretary, General.

Thank you, Mr. Chairman.

B-1B BOMBERS

First I would like to ask you a question about the location of B-1B bombers. There have been questions raised in a number of places as to why a decision was made to locate them where they are going to be located. You announced recently the selection of the three bases for the B-1B bomber. There have been allegations that politics, not military operational considerations, played a role in the decision of where to place those B-1B bombers. What role did politics play in that decision?

Secretary ORR. Senator, I took my selection from the recommendation of the Commander of the Strategic Air Command and I asked him directly, "Was this made strictly for the benefit of the U.S. Air Force?" and his answer was, "Yes, it was."

Senator LEVIN. Does that mean for the security of the United States?

Secretary ORR. Yes, sir.

Senator LEVIN. Did the votes of any Members of Congress for or against the B-1B program have anything whatsoever to do with the selection of SAC bases where the B-1B's will be deployed?

Secretary ORR. Senator, I think I can answer that best by showing you a map which I will do and I will bring a copy to the chairman which shows the locations of the four bases we selected. We announced when we were given permission to build the B-1 bombers that we were moving them in from the coast in order to protect them from submarine launched ballistic missiles and this map, and I have an extra copy here somewhere, shows that we could not have hit the center of the United States any more carefully than we did. May I approach you and give you a copy of the map?

Senator LEVIN. I don't need the map so much as I need a clear answer to the question. Let me ask the question over again because I need a yes or no.

Secretary ORR. You don't need to ask the question over again; I heard you loud and clear. It was not a political decision.

Senator LEVIN. Let me just ask the last question over again and you answer yes, no, or maybe. Did the votes of any Members of Congress for or against the B-1B program have anything whatsoever to do with the selection of the SAC bases where B-1B's will be deployed?

Secretary ORR. Senator, Commander of the Strategic Air Command tells me not. My part was to affirm what he recommended. He indicated politics played no part.

Senator **Levin**. And they played no part in your decision?

Secretary **Orr**. No; I accepted his recommendation.

Senator **Levin**. Mr. Secretary, relative to the readiness issues and the O&M accounts relative to procurement, in real terms after inflation procurement has grown in the last 4 years by 113 percent while operations and maintenance has only grown about 17 percent. Does that sound about right to you?

Secretary **Orr**. Yes, sir, I don't have those figures but I will accept them.

SPARE PARTS

Senator **Levin**. Isn't it true that the shortage of spare parts, for instance, has actually grown worse in the last few years rather than better?

Secretary **Orr**. No, sir, I don't think that is true.

Senator **Levin**. According to my information, and this is developed from DOD data, spare parts procurement by the Air Force has increased by the following amounts: 92 percent for the F-15, 160 percent for the F-16, and 118 percent for the A-10. The cannibalization rate for the F-15 actually increased 37 percent between fiscal year 1982 and fiscal year 1983. I am just wondering, how can you say that it is not a greater spare parts problem when the cannibalization rate has increased in that way?

Secretary **Orr**. I am going to let General Gabriel talk to it further but may I say that we started getting these parts with the 1981 budget. Some of the parts have a 2-year lag time. As I go around now to the bases, they are only now beginning to arrive. So, I suspect between 1982 and 1983 there might have been a problem. But generally speaking, Senator, on the bases I go to, our people are very content with the fact that parts are finally beginning to arrive.

Would you carry on?

General **Gabriel**. Some of the spares, of course, are in the investment procurement account. We could change some of the figures we are talking about here but, with cannibalization, rates there has been a problem. Also I agree, there is some problem in WRSK. We had a meeting of commanders last October and that was the number one problem for them. In regard to the peacetime operating stocks, we are flying, as I mentioned before to the chairman, at a faster rate now; we are giving more sorties to the crews. I think that is important and it affects spares obviously.

We are dipping sometimes into that WRSK in order to support peacetime operations. We are supporting in this budget at a higher level the peacetime operating stocks, but cannibalization rates have leveled off the WRSK from the withdrawals that we are talking about.

Senator **Levin**. Thank you, General.

Mr. Secretary, did the Air Force actually request $750 million more than it received for spares in the fiscal year 1985 budget?

Secretary **Orr**. You mean when we went down to OSD?

Senator **Levin**. Was your request to the DOD or DOD's request to OMB for $750 million more, at least that much more, for spares for fiscal year 1985 than you received in the budget?

Secretary **Orr**. Senator, I cannot tell you what OSD's request to OMB was and I cannot give you an accurate figure but I presume we probably asked for more out of OSD than we got. That is not unusual when OSD has to look at all the competing needs we have. We had several requests where we didn't get what we asked for.

Senator **Levin**. Was spares one of them?

Secretary **Orr**. I am told it is; yes.

Senator **Levin**. Does $750 million more than what you got sound about right?

Secretary **Orr**. I will provide it for the record. He says it is about that figure, sir.

[The information follows:]

SPARES BUDGET REQUEST

The Air Force requested $900.9 million more for aircraft Replenishment Spares in fiscal year 1985 than the total approved by the Office of the Secretary of Defense.

Senator **Levin**. You didn't ask for more spares than you needed, did you?

Secretary **Orr**. No, sir.

Senator **Levin**. So you didn't get as many as you needed?

Secretary **Orr**. We didn't get as many fighter planes as we needed or in a good many areas we didn't get as many as we needed, Senator.

Senator **Levin**. Spares is included?

Secretary **Orr**. Spares is included.

SAC BASES FOR B–1B

Senator **Levin**. General, why don't I ask you the same question relative to the B–1B as I asked the Secretary. Did the votes of any Members of the Congress for or against the B–1B program have anything whatsoever to do with the selection of the SAC bases where B–1B's would be deployed?

General **Gabriel**. Not to my knowledge, and I was not a part of it as you know other than the fact that Gen. Bennie Davis made the decision and I have confidence in him.

Senator **Levin**. That he could not include political factors?

General **Gabriel**. I have confidence that he would not include the political factor, yes.

INCREASED FLYING HOUR PROGRAM

Senator **Levin**. What will be the impact, General, of the increased flying hour program on the Air Force depot maintenance program?

General **Gabriel**. Well, of course it has increased the workload. I don't know the full extent of it, I can supply it, but obviously it will.

[The information follows:]

DEPOT MAINTENANCE PROGRAM

The increase in flying hours has increased the depot maintenance workload, but our fiscal year 1985 budget includes funding to meet the increase. For example, the programed active force increase of 51,000 flying hours resulted in a $33M increase in depot maintenance funding.

Senator **Levin**. Have we projected that in depot maintenance dollars?

General **Gabriel**. Yes, we did that as we lay on the added hours.

Senator Levin. So that we are not going to see any decline in depot maintenance as a result of the added flying hours?

General Gabriel. No, I don't expect that in the fighter business. Now you might see it in other areas.

Senator Levin. Is the IOC of the Stealth bomber still the early 1990's?

Secretary Orr. It has not changed, it is still the early 1990's, yes, sir

Senator Levin. General?

General Gabriel. That is the same.

B–1B PRODUCTION COSTS

Senator Levin. Relative to the production costs of the B–1B DOD says that the type of analysis needed to validate the B–1B production cost requires examination of the monthly cost performance reports, so-called CPR's, of the contract. Since there is not enough work accomplished to permit the CPR analysis for production cost, apparently DOD could not do that check. Did the Air Force use the CPR analysis in producing its reestimate of the production costs of the B–1B?

Secretary Orr. Senator, we used, I think, three separate cost analyses in order to recertify that program. One was the reanalysis by the systems program office and another was an independent Air Force analysis and the third was a DOD analysis. We have used every conceivable means we know and they all come out to that program is under budget.

Senator Levin. Did you use this CPR analysis in producing the reestimate?

Secretary Orr. I don't honestly know, Senator. I will provide that for the record.

Senator Levin. Would you also tell us for the record if you did not use it why you felt you could make a reestimate without it and the DOD says in order to validate the B–1B production cost they had to examine the monthly CPR for the Stealth?

Secretary Orr. I will provide that for the record.

[The information follows:]

B–1B Costs

CPR analysis was used by the Air Force in developing its reestimate of the B–1B production costs. The Air Force financial analysis was accomplished in three parts—the annual reestimate by the B–1B program office, the independent sufficiency review, and CPR analysis conducted by Air Force Comptroller staff personnel.

The Air Force conducted CPR analysis for both development and production. At issue is what can be inferred from this analysis. For example, since all of the B–1B development effort is on contract and more than 50 percent complete, we have high confidence in using the results of that analysis to forecast development cost. In the case of production, most of the CPR data is from the first production lot which represents 5 percent of total production cost. The analyst must consider this as he uses CPR analysis along with other data to formulate his total production estimate.

It is important to note that CPR analysis is an integral part of every weapon system cost estimate for which such data is available. In the case of the B–1B, not only were the results of CPR analyses used by both the B–1B program office and the independent sufficiency review team in their formulation and review of B–1B program costs, but also there was an independent, stand-alone CPR analysis which confirmed the estimate. In both cases, the analysis was used as a cross-check on the projection of labor and material content on B-1B No. 1, and by assessing contract change activity to confirm the stability of the B-1B design. All data used by the Air Force was made available to DOD.

Secretary ORR. May I just further say, however, that that program is one we are very pleased to report, it seems to be under budget. As announced before you came in, Senator, we had thought we would roll it out in October which is about 4 or 5 months ahead of schedule and we have now advanced that to September so it is coming along well.

Senator LEVIN. Real good.

COST ESTIMATE ON MIDGETMAN

What is your most recent cost estimate on the Midgetman?

Secretary ORR. I don't believe we have a cost estimate yet. Do you? Midgetman?

General GABRIEL. No, not to my knowledge.

Secretary ORR. We don't have a cost estimate on the Midgetman.

Senator LEVIN. There has never been one made?

Secretary ORR. I am not aware of one but they tell me it has not been made. We are only beginning the design stages of that.

Senator LEVIN. General, how many measures of military power are there for the Air Force? We are trying to compare our air capability with that of the Soviet Union and I would like to know in how many measures of military power our Air Force is inferior to the Soviet Union and how many measures of military power is our Air Force superior to the Soviet Union.

General GABRIEL. Well, that is a big menu. We look at various measurements of the triad in order to figure the deterrent value of the triad. You have to look at the SLBM's as well as our bombers and our ICBM's. You can go through the record of a daily count and right away figure you're half done with the land based ICBM's.

Senator LEVIN. What sort of defense do we have?

General GABRIEL. We lag in ICBM warheads. If you are thinking prompt hard-target kill, ICBM's are the only prompt hard-target kill that we have, and that is one important measure, there are other measures as you know—megatonnage, throw weight, many different measures—and strategic is the one area that the Air Force has a big concern about. We are taking some action with the Peacekeeper and the bombers. The numbers count there. Now, of course, the other side is coming up.

If you count the Backfires, an area where they are competing, they have more bombers than we have. Our bombers are very old, but they are still effective. These would be primary measures of military power. I would have to supply more precise data for the record but the number of weapons arriving on the targets would be important, and that is something I would like to provide you for the record if I could. These are also good measures.

[The information follows:]

UNITED STATES/SOVIET COMPARISON

The number of arriving weapons could vary widely depending on the opponents' alert postures, the magnitude of the attack and response, and the timing of the attack and response. The figures below present the arriving warheads under four possible situations. All situations assume the Soviet Union strikes first, the U.S. responds, and both sides use all weapons available to strike their opponent. "U.S. Rides Out" assume U.S. ICBM's ride out the Soviet first strike before launching "U.S. Timely Response" assumes U.S. ICBM's launch prior to Soviet warheads arriving on U.S. ICBM silos.

[Deleted.]

General Gabriel. Now we have, of course, many measures in the tactical area. The Soviets have over a hundred wings and we have 36 going to 40. In the technology comparison——

Senator Levin. How many? I just want numbers, we are ahead 7 or 3. I didn't ask you to identify them, just the number. Are they ahead 6, we are ahead 4, they are ahead 20, we are behind? I want that kind of number.

General Gabriel. I cannot give you off the cuff right now the total number they are ahead both in strategic, tactical, conventional and nuclear. That is a bunch.

Senator Levin. Are we ahead?

General Gabriel. Well, of course we have some advantages, sir.

Senator Levin. Would you do that for the record? My time is up. Tell us how many measures they are ahead and how many we are ahead for the record.

General Gabriel. Yes.

Sennator Levin. Thank you.

[The information follows:]

United States/Soviet Comparison on Strategic/Nuclear Power

The Air Force most commonly uses about 20 indicators as measures of strategic-nuclear military power. Each measure tells a different part of the strategic story, each serves a specific purpose, and each has its limitations. Consequently, the that both sides might be nearly equal in delivery vehicles does not imply near measures do not equate to each other on a one-for-one basis. For example, to say that both sides might be nearly equal in delivery vehicles does not imply near equality in warheads or destructive potential. Similarly, the circumstances of scenario, alert posture, and response option will also influence the balance of military power that might exist at the outbreak of hostilities. In the day-to-day alert posture, the Soviets lead in [deleted] measures. In a fully generated posture, the Soviets lead in [deleted] measures. In both cases, the two sides are even in one measure: age of SLBMs.

Direct comparison of the U.S. Air Force with the Soviet Air Force tactical forces is more difficult, first of all, because of organizational asymmetries. The forces that make up the USAF are scattered among three separate services in the U.S.S.R. (Soviet Air Force, Strategic Rocket Forces, and Air Defense Forces). Second, the primary mission of more than half of the U.S.S.R.'s tactical aircraft is defense of the homeland, whereas very few USAF aircraft are dedicated to this mission. Note, though, the recent reorganization of Soviet theater force allows increasing flexibility to rerole these assets to support offensive operations beyond Soviet borders. Third, because of geographic asymmetries, force projection is an essential element of the USAF force structure; therefore, a greater capability is needed.

In terms of static measures of military power, the Soviets are ahead in a number of areas: number of air defense fighters, numbers of fighter-bombers; medium bombers, mobile and strategic surface-to-air missile defense, reconnaissance aircraft, electronic warfare platforms, offensive and defensive CBW assets, tactical ballistic missiles, and hardened aircraft shelters.

These Soviet advantages in quantitative measures should not be interpreted to mean the Soviets would prevail in conventional war. Conflicts occur in dynamic environments, the outcomes of which are scenario dependent and heavily influenced by operationnal concepts, timing, aircrew proficiency, sustainability, and aircraft quality.

Chairman TOWER. Senator Quayle?

Senator QUAYLE. Thank you, Mr. Chairman.

UNITED STATES/SOVIET SPACE RELATED TECHNOLOGY

Mr. Secretary, can you give us an assessment of the United States compared to the Soviet Union regarding current related technologies? Where do we stand?

General GABRIEL. I would say we have a definite lead in technology. I would have to get my experts to supply it but we have been there for quite a while now and have effective systems up there, as you know. The Soviets put a lot more systems up than we do every year but theirs are there a lot shorter period of time. I think we have the technology advantage, of course.

Senator QUAYLE. So we definitely have a technology advantage. I presume you would also say we have a qualitative but not a quantitative advantage in space-related technologies?

General GABRIEL. Yes, but I don't think that is important.

Senator QUAYLE. What is important as we begin to look into the Strategic Defense Initiative and defense against ballistic missiles concept? What are the important issues that we need to examine?

General GABRIEL. In defense against ballistic missiles we don't just look at space, we are going to have to have——

Senator QUAYLE. Ground as well?

General GABRIEL. Atmospheric. In the strategic defense initiative, specifically defense against ballistic missiles, there are a few promising technologies that we are working on. What is important is how we are going to be able to apply those technologies and how soon and at what cost—boost, post-boost, midcourse, and terminal phase. There are hard problems to work. There are communications problems, as well as problems in detecting and tracking and aiming, and many kinds of problems that I am not expert enough to talk about. These are not easy problems, but I think it has to be a limited defense if you are going to have anything.

Senator QUAYLE. Who is considered the resident expert in DOD on these matters?

General GABRIEL. A resident expert?

Senator QUAYLE. If we wanted to go to one person who is going to be basically in charge of Strategic Defense Initiative, where are we going in our defense against the ballistic missile program or Strategic Defense Initiative, however you want to phrase it? Who would that person be?

General GABRIEL. Hopefully, as Secretary Orr said, we will have names before too long.

Senator QUAYLE. Will this be an OSD manager?

General GABRIEL. OSD will start putting together thoughts about these promising technologies and which ones should be pursued.

Senator QUAYLE. How is the Air Force going to interact with that manager in OSD?

Secretary ORR. We don't know yet.

General GABRIEL. We will find out.

Senator QUAYLE. I believe the Secretary said in response to a question I asked a week or so ago, and I would have to check, that he thought within the next 30 days they would appoint an OSD manager. Is that still on track?

Secretary ORR. I read the report here and I think it was even less than 30 days, yes. As far as I know, that is still on track.

Senator QUAYLE. So, within the next week or 2 weeks, we should know who this manager is going to be?

Secretary ORR. It is his option.

Senator QUAYLE. Then they will sit down and figure out how to spend this money that has been requested in the budget, is that correct?

Secretary ORR. If I were doing it, and of course it is the Secretary of Defense—if I were doing it, I would first appoint a manager and work with what kind of committed management structure you need and I assume that is the way to work it out.

Senator QUAYLE. I believe the budget requests $1.8 billion—$250 million of which is new money. Where is this new money going to go to?

Secretary ORR. Probably almost all going to advanced research and technology development. Hopefully we can intercept these missiles well before they reach the atmosphere of the United States.

Senator QUAYLE. Are you talking about boost-phase interceptor?

Secretary ORR. I think that is what the general was referring to, boost, post-boost and so forth. We will have to decide that is where the intercept possibilities lie.

Senator QUAYLE. So basically you are just talking about research for the near future.

Secretary ORR. At this point.

Senator QUAYLE. And development at some later point?

Secretary ORR. I think we are only in research now.

Senator QUAYLE. You are only doing research?

Secretary ORR. As far as I know, and I am not the resident expert, there is nothing for development yet. Of the $250 million now, the total figure you mention, some of that is reprograming of programs that are already underway and those may or may not be changed.

Senator QUAYLE. Well, we will get into this more at the subcommittee level, but I am certainly one that has questions as to how this money is going to be managed, and how it is going to be spent. This initiative is sort of in a very broad, ambiguous state of flux right now, at least from the responses that I am getting, but we will get into that later. Some of us are very interested in how this money is going to be programed and how it is going to be spent.

NAVSTAR PROGRAM

One other question for either the Secretary or General Gabriel. Can you give us an update on the progress of the NAVSTAR program? Are we on schedule? Are the satellites ready to go? I am curious as to where we stand. In the past there has been some question about this. I remember a couple of years ago how high a priority this was in the Air Force and it was listed as a joint program. I would like to get a progress report on where we stand.

Secretary ORR. I think we will have to supply that for the record but I can say I think now both programs are doing well.

Senator QUAYLE. I hope it is a high priority.

General **Gabriel**. I know one time there was a reluctance. It is a high priority program, and we will supply you with what you are asking for.

Senator **Quayle**. Thank you.

[The information follows:]

NAVSTAR Program

The Air Force has fully supported the NAVSTAR Global Positioning System in the past four budget submissions. It is one of our priority programs as indicated by our submission of GNP as a multiyear procurement program. Since 1978, we have procured 11 R&D satellites. To date eight have been launched. One was lost due to a booster failure and the remainder have provided navigation support for our development program. The R&D satellites have exceeded all our design requirements.

In fiscal year 1982 Congress approved $1.4B for the multiyear procurement of the initial 28 operational satellites, PAM–D boosters, and IONDS sensors. The multiyear satellite procurement was awarded in May 1983 and is progressing smoothly according to the congressionally approved schedule. The PAM–D contract is in final negotiations and all other major subcontracts have been awarded. In fiscal year 1984 we fully funded one satellite, and our fiscal year 1985 request fully funds an additional six satellites. The first operational launch which will utilize the shuttle is planned for late 1986. We expect an 18-satellite constellation providing world wide, three-dimensional navigation by the end of 1988 as directed by the Congress.

Senator **Quayle**. Could you also supply for the record information on the commercial value of NAVSTAR? I know you can get into commercial aviation and all sorts of commercial sharing of this system. If they share, I hope that they are going to help pay for it. I don't know where we stand right now in pursuing that objective, but when we made the original decision to fund NAVSTAR, part of the quid pro quo. I hope we are moving down this road. Are we, or do you want to supply that for the record?

Secretary **Orr**. I don't know. I'll supply it for the record.

Senator **Quayle**. From my point of view, and the chairman can correct me if I am wrong, we were very serious about looking at the commercial applications of the NAVSTAR/GPS program.

[The information follows:]

NAVSTAR

We are proceeding with the implementation of user charges for both civil and non-US military use of GPS as suggested by Congress and directed by OSD. In reality we find the two goals of increased civil/allied military acceptance and user charges in conflict. The proposed GPS user charges have increased civil and non-US military interest in the Soviet GLONASS satellite navigation system now under development, and also Europe's proposed NAVSAT and the proposed commercial GEOSTAR system. Although none of these systems can satisfy our military requirements, these alternative systems will depress civil acceptance of GPS and delay the phase-out of alternative government funded navigation systems.

A secondary effect of depressed civil acceptance will be negative cash flows well into the nineties as required technical changes to GPS are implemented to enforce fee collection and to fund and staff a large administrative agency initially serving a limited civil community. Further, the FAA has stated that it cannot certify GPS for civil use because the Airline Deregulation Act of 1978 prohibits the FAA from "collecting any fee, charge or price for any . . . certificate . . . which did not exist on January 1, 1973 . . ." The civil aviation community sees GPS user charges and the current landing fees and aircraft fuel taxes as double taxation for federal radio-navigation services.

We have found that crypto technology is the only way to effectively impose a user charge worldwide. We are concerned with wide foreign and domestic civil

use of this technology and that an additional layer of crypto-controlled access to GPS will complicate our operational procedures and may hamper the military operational effectiveness of GPS. User charges have also reduced planned allied implementation of GPS affecting our plans for standardization and improved force effectiveness.

We are currently reviewing the NAVSTAR users fee issue with OSD. Additionally, in the wake of the KAL–007 tragedy, a concurrent resolution to promote civil use of GPS and rescind user charges was introduced by Senator Percy to be considered by the Senate this spring. Serious consideration should be given to cancelling the user charge. We believe that the quid pro quo for GPS should be its contribution to aviation safety, its potential for phasing out and/or eliminating the need for other government-funded navigation systems, and the international good will we create by providing GPS service for worldwide use for land, sea, and air navigation; surveying; time-transfer; and other applications.

WARRANTIES

Senator **Quayle**. On the issue of warranties, I am told that the Secretary, in the budget report, asked for repeal. Then, in the Budget Committee, he backed off and said we will work with the Congress. I know we have hearings on the subject and it is something we will deal with, but I wonder if you can explain to me, either one of you, a discrepancy. It is my understanding that the C–17 will provide warranties but the C–5B will not.

Secretary **Orr**. Yes.

Senator **Quayle**. Why?

Secretary **Orr**. Because the C–17 is the technology of the eighties; it is something that starts out fresh and we asked for and demanded warranties in the competition that built it. The C–5 is a technology of the fifties, it was in a sense a noncompetitive purchase and it didn't contain that request for warranties.

Senator **Quayle**. Do you think that warranties are a good thing?

Secretary **Orr**. Yes, sir.

Senator **Quayle**. You think they are doable?

Secretary **Orr**. It is doable, it is a good thing. I hesitate because I think there is a misunderstanding that money is to be saved in warranties. If a warranty is proper, it should save no money; the company that produces it ought to know what it is warranting; it will charge an amount to cover its cost. The only time it is going to save money is if somebody has made a mistake in what that warranty will cost, either we or the company. If we made the mistake, then we are going to pay too much for the warranty, and could have done it better without. If the company made a mistake, then it is going to sell the warranty for less than it cost to make it up.

Let me tell you that I was an automobile dealer for 15 years. Automobiles are warranted and an automobile company can probably tell you within $5 what it cost to warranty an automobile and that will be included in the selling price. The only thing it does, it spreads the risk; it allows you to have a certain figure and it is not going to be exceeded.

Senator **Quayle**. So in certain cases warranties are something that we can deal with, based on your past experience? There are certain applications of this concept that would be helpful in terms of reliability and I presume you are saying there is not a whole lot of cost savings involved. Somebody would make the argument that there is a great additional cost and I know the Secretary is concerned about the additional cost that may be involved in this. It may not be a money saver but a budget buster.

I feel we need to look at this and I am struck by the fact that on the C–17 we are willing to go ahead and try warranties while not with the C–5B. They are both going to serve airlift requirements which leads me to believe in listening to your responses, Mr. Secretary, that there are different warranty types.

Secretary ORR. I believe it was about 8 or 9 months ago I informed our procurement team I wanted a warranty contract in which we would get at least as good a warranty as is provided any commercial user of that or any other government and that ought to be standard. If they offer a warranty, we ought to get one.

Senator QUAYLE. My time has expired, Mr. Chairman.

Chairman TOWER. Gentlemen, I want to thank you very much for your testimony today.

Senator QUAYLE. If you are going to close, could I have just one more question?

Chairman TOWER. Yes.

TESTING AND EVALUATION

Senator QUAYLE. If you have already commented on this, I will read it in the record. Have you discussed the independent testing and evaluation amendment?

Chairman TOWER. I don't believe so.

Senator QUAYLE. I would like for both of you to comment on that amendment and whether it in fact is really going to save us money. Are we going to get better weapons and improve procurement practices?

Secretary ORR. I will comment on it because I happen to feel very strongly about it. I don't think it is going to serve the purpose that Congress expects. If I set up an independent evaluation tester, he is going to be under the gun not to let anything go out until it works and that can be done by anyone. The only thing is it is going to stretch things out for years and years. Now the Army can tell you take it away from our service, about the well publicized problems with the M–1 tanks. Jack Marsh tells me that was 15 years in development.

If that tank is going to be supervised by some outside agency that is responsible for making sure there are no failures, it will be another 5 or 7 years in the development before it finally hits the field. I think anybody can make sure there are no errors if you are willing to keep it in development and research long enough, but the cost and the obsolescence will be very high.

Senator QUAYLE. General Gabriel?

General GABRIEL. I could not add to that.

Senator QUAYLE. In other words, you don't feel that there has been any useful contribution made by passage of this amendment adopted last year?

Secretary ORR. I would not go quite that far. I think to worry and insist that we have too many failures is of benefit to the service. If you don't let it go out unless it is perfect, it is going to delay things and increase the cost immeasurably.

Senator QUAYLE. I want to separate costs and the end result. Everybody is concerned—Congress, taxpayers, military people, everybody is concerned about efficiency and getting the most efficient weapon for our taxpayers' dollars. When we go so far as to express our concern in legislation, I am interested in end results.

Secretary ORR. The end result is going to be longer preproduction runs, longer time between the development and the final production in the field.

Senator QUAYLE. So, in other words, you are saying that this concern is certainly qualified and meritorious and counterproductive from your point of view?

Secretary ORR. I am. I think it will cover a period of years.

Senator QUAYLE. General, do you agree with that?

General GABRIEL. Yes.

Senator QUAYLE. Thank you, sir.

Chairman TOWER. Thank you very much, gentlemen. We are going to be having subcommittee hearings on this matter in which you have a grave interest. We would appreciate it if you, Mr. Secretary, and you, general, could make yourselves available in subcommittee hearings and provide us full cooperation for all your subordinates in the field.

We will be studying the test and evaluation program a little more closely in the subcommittee hearings.

Secretary ORR. Mr. Chairman, may I make a closing statement?

Chairman TOWER. Certainly.

Secretary ORR. This begins my fourth year as the Secretary of the Air Force and therefore it is the fourth time I have appeared before you. I regret that a personal decision on your part makes it the last time I will have that opportunity to become a witness here before the committee. I would like to express on behalf of the Air Force our tremendous appreciation for what you have done for the United States and for the military. I know you have traveled to many foreign bases and to domestic bases trying to see that the Congress has well spent its authorization money at great personal sacrifice, at tremendous effort of your time, and I would like to say we are deeply grateful for what you have meant to us.

General GABRIEL. I would like to endorse that, of course, for the uniformed Air Force. It has been a real pleasure working with a super patriot and a professional like yourself, sir.

Chairman TOWER. Thank you very much, gentlemen, for your very generous remarks. I might note that I have a great number of Air Force establishments in my State and quite a number of constituents that have a vested interest in the Air Force so it has not been difficult for me to be an advocate.

Thank you again for your very generous remarks.

I believe that concludes our hearing for today. Thank you very much.

Members of the committee have submitted questions to be answered for the record and we would appreciate an answer as soon as possible.

[Questions submitted with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

ECONOMY UPTURN IMPACT ON RECRUITMENT

Senator THURMOND. Has the upturn in the economy had an impact on your recruitment?

General **GABRIEL**. The answer to your question depends on which measure of recruiting success we look at. We haven't seen any appreciable effect as yet on the number of new contracts signed. However, we are concerned that testing of new applicants on the Armed Services Vocational Aptitude Battery (ASVAB) in the first four months of fiscal year 1984 was lower than in the same period last year. This could indicate that our number of future prospects is declining. Our Recruiting Service is taking strong internal management actions to identify possible causes for this decline and to increase the number of new prospects. We anticipate achieving our fiscal year 1984 enlisted recruiting goals.

MANPOWER POOL

Senator **THURMOND**. As we move toward the end of the 1980's, the pool of available military age manpower will shrink sharply, which will severely decrease competition for jobs in the private sector that this age group is in competition for. If Congress does not reinstate the draft, how will the Air Force meet its expansion goals without lowering standards of acceptance?

General **GABRIEL**. Despite the anticipated reductions you mentioned, given sufficient resources, the Air Force can continue to recruit adequate numbers of volunteers without lowering standards. By retaining an appropriate military compensation system and skillfully managing programs such as recruiting resources and recruiter and enlistee incentives, we are confident the goals remain attainable. Military pay must be fair and equitable and keep pace with the private sector if the services hope to compete for quality volunteers and retain an experienced military force. Examples of programs we believe must be given close attention include: enhanced Special Duty Assignment Pay for recruiters, noncontributory educational benefits for enlistees, and, most important, preservation of the military retirement entitlement for all military personnel.

GUARD/RESERVE MIX

Senator **THURMOND**. Would it not be more cost effective to add the additional fighter wings to the Guard and Reserve?

General **GABRIEL**. Not necessarily. The Air Force is strengthening Air Reserve Forces through the planned addition to the Guard and Reserve of modern fighters such as F-15, F-16, and A-10 aircraft. As part of the budgeting process, the Air Force is considering additional force structure alternatives and is using cost effectiveness as one of many criteria in making these decisions. When the decisions are finalized, the Air Force will provide Congress with the results and rationale for the changes.

CT-39 DRAWDOWN

Senator **THURMOND**. Mr. Secretary, I have received notification that certain T-39 aircraft at Shaw Air Force Base in South Carolina are being withdrawn from the base during 1985 which will cause the loss of some civilian jobs and military positions. My understanding is that underutilization is the reason. The plan is part of a large plan to redistribute various aircraft to enhance readiness and modernization. Would you supply for the Record the basis for the conclusions for these moves?

Secretary **ORR**. In our continuing efforts to improve the readiness and effectiveness of our forces, we have evaluated all of our CT-39 operating locations to insure the most cost-effective utilization of our support aircraft. One of the results of this review is the planned closure of CT-39 operations at Shaw AFB. This decision was based on several factors. Primary among these were the high percentage of less productive flights positioning and depositing aircraft for priority passengers, and the relatively low number of priority requests received for missions originating at Shaw.

GUARD/RESERVE MIX

Senator **THURMOND**. Mr. Secretary, are the oldest fighters more costly to maintain and operate?

Are the oldest fighters in the Guard and Reserve, or in the Active Air Force?

Would it save the taxpayers money to replace these planes more rapidly?

Would you provide for the Record the cost savings available if various older fighters in the Guard and Reserve were replaced by newer, more cost-effective aircraft?

Secretary **Orr.** Yes, older fighters are more costly to operate and maintain. For example, operating at the same flying activity (200 hours per aircraft), F–4E annual operating and support (O&S) costs for a 24-aircraft unit are $52M (fiscal year 1984 dollars) while annual F–16C O&S costs for a 24-aircraft unit are $43M. Much of the annual savings results from the lower fuel consumption of the F–16C over the F–4E.

The Secretary of Defense policy is that Active, Guard and Reserve units are equipped to full wartime requirements. Active and Reserve units deploying at the same time have equal claim to modern equipment inventories, and the Air Force is equipping these units with modern A–10, F–16 and F–15 aircraft. However, speaking in general terms, the oldest fighters are in the Guard and Reserve. For example, as of November 30, 1983, the average age of the entire F–4 force was 15.5 years. The average ages of F–4 aircraft in Active, Guard, and Reserve units were 13.7, 17.8, and 16.3, respectively.

Over the 5 years covered by the fiscal year 1985 President's budget, we intend to replace 404 Guard/Reserve F–4C/Ds with 198 F–4Es, 96 F–15s, and 90 F–16A/Bs. Replacing these older fighters with newer ones will actually increase operating and support cost by $23.2M in fiscal year 1986, $6.9M in fiscal year 1987, and $4.7M in fiscal year 1989 (constant fiscal year 1984 dollars). Fiscal year 1988 is the only year during this period with cost savings—$19.2M. The cumulative effect of this replacement action will be to increase O&S cost by $95.5M over the FYDP.

Replacement of an F–4C/D unit with a comparably sized F–4E or F–16A/B unit reduces the annual O&S cost; however, replacing with a comparably sized F–15 unit increases this cost. Acceleration of replacements using F–4E or F–16A/B aircraft will provide O&S cost savings. Replacement with F–15s which have more capability will result in increased O&S costs. The primary advantage to the Air Force of replacing older aircraft with newer models is one of increased capability, reliability, and supportability. Each year's delay in purchasing these new aircraft increases the acquisition cost until in fiscal year 1989 they will cost an additional 33.9 percent based upon OSD inflation estimates.

QUESTIONS SUBMITTED BY SENATOR BARRY GOLDWATER

READINESS

Senator **Goldwater.** General Gabriel, can I have your personal assessment as to whether or not the Air Force is more combat ready today than it was in 1980?

General **Gabriel.** Yes, the Air Force is more combat ready today than it was in 1980. There are several reasons why this is the case:

1. We have increased the number of combat units for both the active and reserve forces,
2. Our pilots are flying more training hours with increased effectiveness and realism, and
3. Our war reserve spares for fighter aircraft will allow us to fly over 60 percent more combat sorties today than we could have flown then.

All of this translates directly to combat readiness—the ability to go to war and win. When we combine these measures with other standards of readiness such as operational readiness inspections and C-ratings, we get a clear picture of the overall readiness of our force.

When considering the full spectrum of readiness measures and indicators, I am firmly convinced that we have a more combat ready force today than we had in 1980.

QUESTIONS SUBMITTED BY SENATOR ROGER JEPSEN

ENGINEER AND SCIENTIFIC CAREER CONTINUATION PAY

Senator **Jepsen.** Secretary Orr and General Gabriel, in the late 1970's, the Services and the Air Force in particular, were experiencing significant problems in retaining the number of scientists and engineers required to meet their needs. In response to that problem, the Manpower and Personnel Subcommittee approved in 1981 a bonus program designed specifically to address that program. I understand that the Air Force is the only Service which has implemented that authority.

Will you give the committee some idea of how that program is working and whether it is helping the Air Force meet its needs for scientists and engineers?

General **Gabriel**. The Engineer and Scientific Center Career Continuation Pay (ESCCP) program has had a significant effect on our retention of engineers in critical disciplines. Since the initiation of the program in September of 1982, over 90 percent of all eligible engineers have accepted a bonus contract, with the majority of them signing up for 4 more years of active duty. Since we have offered the bonus only to those engineers in critically short disciplines (less than 90 percent manned) and only in certain year groups, slightly less than 20 percent of our engineers are on bonus contracts.

As a result of the improved retention caused by the bonus and the success of our various engineer recruiting programs, our engineer deficit was reduced to 509 at the end of fiscal year 1983. Although we will continue to be critically short of electrical engineers and will continue their bonuses, by the end of fiscal year 1984 we expect our overall hard-core engineer deficit to be eliminated.

QUALITY OF LIFE

Senator **Jepsen**. Following up on that question, since I have been the chairman of the Manpower and Personnel Subcommittee, we have tried to improve the quality of life of our personnel through improved pay, allowances, and benefits. But, just as we did with the scientific and engineering bonus, I have urged that we target our limited resources in the manpower area toward those items which will give us the greatest short-term and long-term benefits. That is why we elected last year not to increase the pay rate for basic recruits for the first four months of active duty.

Has the Air Force experienced any demonstrable adverse effects as a result of our decision not to raise the basic recruit pay?

General **Gabriel**. No. We cannot point to any demonstrable adverse effects on the Air Force as a result of the decision. We fully expect, however, that average youth wage rates in the private sector will increase as the population of 18-year-olds decreases between now and 1992. To the degree youth wage rates increase beyond what we pay our basic recruits, we will experience greater difficulty in attracting the quantity and quality of people we need to fill our increasingly technical manpower requirements.

PCS REIMBURSEMENT/DEPENDENT DENTAL CARE

Senator **Jepsen**. Mr. Secretary and General Gabriel, what one new requested benefit or allowance does the Air Force consider the most important for its personnel for fiscal year 1985?

General **Gabriel**. Our number one personnel priority remains preservation of the military retirement system. However, obtaining funds to improve the permanent change of station (PCS) reimbursements is also of vital importance. A 1983 PCS Cost Survey showed that, exclusive of home ownership costs, members' out-of-pocket expenses range from $1,510 to $3,258 each time they make a PCS move. To relieve some of the financial burden on our members, the Presidents' fiscal year 1985 budget includes: (1) an increase to the member's PCS mileage allowance from 13 cents to 15 cents per mile; (2) a household goods weight increase for E-7s and above of 500 to 2,500 pounds, depending on grade; and (3) an initiative to increase the statutorily imposed 13,500-pound weight limitation to 18,000 pounds. Although not included in the fiscal year 1985 budget, DOD also remains committed to implementing the Conus Temporary Lodging Expense (TLE) reimbursement authorized in the Uniformed Services Pay and Benefit Act of 1981. All these PCS improvement measures have been previously authorized by the Congress; however, funding has never been approved. We are hopeful the Appropriations Committees will act favorably this year.

In terms of new authorities, we would request Congress consider funding a dental care program for active duty dependents. Current law restricts the dental care the Services can provide to dependents. Routine dependent dental care in military treatment facilities is available only at installations outside the United States. Within the United States it is available only where adequate civilian dental care is unavailable. The Army has proposed legislation, which the Air Force strongly supports, to remove these restrictions and permit maximum use of military dental facilities. Unfortunately, this will probably have only a limited effect in satisfying the total dental needs of our active duty dependent population.

In the report sent forward with the fiscal year 1984 DOD authorization bill, you asked DOD to study dependent dental care alternatives. As a result, a Service task force was formed and reviewed proposals ranging from a full scale CHAMPUS style program to a completely voluntary dental insurance program. One of the proposals, which combines both government and beneficiary participation, would provide diagnostic, preventive, and basic restorative care for active duty dependents at a reasonable cost to both the beneficiary (about $10 per month per family) and the government (estimated fiscal year 1985 DOD cost about $50 million). This proposal and the others are worthy of serious consideration.

C-5 TRANSFER

Senator **Jepsen**. Why was the C-5A chosen over the C-141 for transfer to the Reserves? What was the rationale for the selection of the location? Does this mean that there will be a decrease in personnel and activities at Dover? What other missions or units are you planning to transfer from the active to the reserve forces over the Five-Year Defense Program?

General **Gabriel**. The C-5 is the best choice for the near term because of its higher operational costs and low peacetime utilization; large cargo capability which exceeds normal peacetime loads; and large manpower requirements which through transfer can contribute to meeting congressional end strength limits. To insure a successful tranfer, selection of the beddown location was the subject of intense study. Kelly AFB was selected based on recruitment potential. C-5 depot support, its central location, room for expansion, and excellent flying weather. This transfer is part of an overall expansion of our C-5 fleet with the addition of 50 C-5Bs. Therefore, the overall impact will be increased C-5 activity. Down manpower levels remain approximately constant. Future announced transfers will expand Kelly to 14 aircraft with 20 additional C-5s going to locations to be determined.

USAF is conducting a congressionally-directed study of the future airlift force mix which is due June 1, 1984. A comprehensive plan will specifically address all airlift aircraft, and will complement the Airlift Master Plan.

Questions Submitted by Senator Sam Nunn

NUMBER OF AIRCRAFT PROCURED

Senator **Nunn**. How many aircraft were funded in the Air Force procurement account between fiscal years 1981-84? How does this compare to the total number of aircraft funded in the Air Force procurement account between fiscal years 1977-80?

General **Gabriel**. From fiscal year 1981 through fiscal year 1984 the Air Force funded procurement of 964 aircraft, 409 fewer aircraft than we funded from fiscal year 1977 through fiscal year 1980. During this earlier period we funded procurement of 1,373 aircraft. The following chart displays aircraft procurement by fiscal year:

Fiscal year:	
1977	216
1978	357
1979	392
1980	408
1981	318
1982	206
1983	199
1984	241

AIR FORCE MUNITIONS INVENTORIES

Senator **Nunn**. Specifically, Armed Forces Journal asks: "Where are the bombs?" The article claims that the Air Force has earmarked almost $3 billion to improve or design new fighter/bomber platforms in the FYDP but under $500 million for new weapons. This, obviously, doesn't include the cost of procuring the F-15, F-16, B-1, and other platforms now in production.

What is the current state of Air Force munitions inventories (air-to-air and air-to-ground)?

How much are munitions like iron bombs from the 60s and how much are newer smart munitions?

The article also shows that in fiscal year 1984, the Army invested 28 percent of its procurement in munitions while the Air Force only invested 5 percent?

What is the current Five Year Defense Plan and, if the budget is reduced, would you favor improved munitions over some constraints on platforms?

General GABRIEL. Our inventory status for air-to-air munitions continues to improve; we have about 90 percent of the AIM–9 (heat) missile that we need and about 32 percent of the radar missiles. In fiscal year 1985 we will begin procurement of the Advanced Medium Range Air-to-Air Missile (AMRAAM) to fill the radar missile shortfall.

For air-to-surface munitions, the Air Force has sufficient inventories of Vietnam-era munitions to sustain our conventional theater forces for over [deleted] but with the newer munitions we have about [deleted] sustainability. Reducing this shortfall of modern, effective munitions is the principal reason that the fiscal year 1985 President's Budget includes approximately $2B for procurement of air-to-surface munitions.

As of Dec 1983, we had 1,735,371 older munitions of which 1,004,556 are 500-pound general purpose bombs. We also had 40,358 newer munitions comprised mainly of air-to-air missiles and TV Mavericks.

The fiscal year 1984 President's Budget requested $1.9B for Air Force munitions procurement. The Congress appropriated $1.4B. In the fiscal year 1985 President's budget, we have increased our munitions procurement request to $2.4B. The figure is programed to increase again in fiscal year 1986 to $3.9B. While our relative percentage of investment for new munitions may not be as high as the Army's, we are complementing our weapons acquisition program with sizable investments in supporting systems such as Lantirn, Global Positioning System, and Precision Location Strike System to increase the effectiveness of munitions we already have in the inventory.

The fiscal year 1985–89 Five Year Defense Plan includes the following funding profile for munitions procurement:

[Deleted.]

Improved munitions are a key factor in our efforts to insure that we realize the most combat capability achievable from our forces in the field. Enhanced weapons effectiveness is probably the most visible factor in target destruction. There are, however, other factors which also directly influence weapons effectiveness. These include delivery system accuracy, navigation systems such as Lantirn, and the basic spares, POL, etc., which support generation of the delivery sortie. Our programing and budgeting process strives to maintain a delicate balance between all of these factors, and should significant budget reductions be required, we would attempt to strike a new balance appropriate for the new level of resources available.

USAF'S TAC AIR BUDGET PRIORITIES QUESTIONED BY SENIOR DOD OFFICIALS

[By Benjamin F. Schemmer]

As the Pentagon wrestled with last minute adjustments to its proposed fiscal year 1985 budget in mid-December and prepared its annual list of the lingering, major budget "issues" for President Reagan to resolve, one question *not* on that list seemed to bother senior DOD officials most:

"Where are the *bombs?*"

Internal Air Force budget documents and the Pentagon's so-called Five Year Defense Plan make clear that the US Air Force plans on spending multi-billions of dollars between now and fiscal year 1989 to expand its tactical air force structure and to significantly improve the quality of its fighter/bomber *platforms*—but has earmarked a relative pittance to equip them with better ordnance.

One senior DOD official who watches Air Force budget submissions closely told *AFJ*, "Ask the questions: 'Why beat 'em up with platforms? Why not with smarter weapons and munitions? Are newer technology platforms with higher thrust engines really the right way to go?' " He says, "You cant ask those questions here and get an answer. The process doesn't work. We've decentralized so much authority to the Services that no one is adjudicating the issue at the level where it needs to be resolved."

Other officials at the most senior level openly acknowledge that the recently formed DOD "Munitions Council," which was set up to focus more top level attention on conventional munitions initiatives and ammunition readiness, has been "less than effective." In fact, since it was formally established last August, there have been only three meetings; two were chaired by a different individual.

In essence, the Munitions Council was also to serve as an internal DOD "lobby"—although no one will characterize it quite that way—to help balance the Services' perennial advocacy for more and better "platforms" with the need for more and better munitions to launch them from.

DOD officials worry increasingly that U.S. tactical air forces, bent on building force structure from 36 wings to 40 and later to 44 wings, are about to buy far more capable new aircraft than ordnance to make them effective. With a full commitment to Hughes Aircraft's new AMRAAM advanced, medium range air-to-air missile, the concern focuses principally on what USAF is doing to make its tactical air arm more effective in delivering air-to-ground ordnance for interdiction and close air support missions.

A highly respected former senior DOD official who now consults to several of the Services as well as to various OSD officials explains the discontinuity between platforms and weapons this way: "The only way to become an 'Ace' is to shoot down five airplanes. There are no Aces in interdiction or close air support. You can't even become an Ace shooting down 15 airplanes with a ground-to-air missile."

His concern about tactical air budget priorities manifests itself in any number of documents:

The Defense Department's latest quarterly Selected Acquisition Report shows a past and future Air Force investment of over $83.7-billion in just two fighter aircraft, the F–15 and F–16; it projects an investment of only $18.3-billion in ordnance to hang on them.

Internal Air Force budget documents on its research and development programs show over $2.9-billion programmed to improve or design new fighter/bomber platforms between Fiscal Year 1984 and 1989, but only $488-million for new weapons to go on them. The same documents show that research and development is planned on 13 separate platform-realated programs, but on only two new munitions.

If the undisclosed cost of tactical Stealth aircraft were included, the disparity between USAF's investment in platforms and weapons would be even larger.

The same Air Force budget documents show an even more disparate radio of planned platforms-to-weapons procurement for these systems. As the table above shows, about $75-billion will be spent buying advanced platforms, while less than $1-billion will be spent on the only new munition being developed for them whose procurement schedule, USAF says, can be reasonably well estimated.

The table also shows that Air Force planning calls for almost as many new fighter/bombers to be procured as new air-to-ground weapons for them; 3,174 F–16s and F–15s compared with 4,077 improved GBU–15 medium range stand-off weapons. Put another way, the Air Force apparently plans to buy less than 1.3 improved GBU–15s, costing about $240,000 each, for every new $23.7-million fighter it intends to field.

USAF's own procurement data contrast its platform-versus-payload priorities in yet another way. USAF budget documents show up no procurement schedule or money for the longer range JTACMS conventional stand-off weapon because, they say, its "IOC" is "TBD"—meaning that the date of its "Initial Operational Capability" is yet "to be determined," even though Congress last year mandated on IOC by Fiscal Year 1986 or 1987. But USAF's budget documents show a detailed procurement schedule for its Advanced Technology Fighter, which, USAF says, is to have an Initial Operational Capability in the second quarter of fiscal year 1995, or the winter of 1995—eight years after Congress asked that JTACMS be readied.

NEW SOVIET FIGHTERS

No one is suggesting that the Air Force not develop improved or new fighters. Indeed, new intelligence estimates on the latest Soviet MiG–29 Fulcrum and Sukhoi Su–27 Flanker show that Russia's newest planes have thrust-to-weight ratios and maneuverability which, some analysts say, could let Warsaw Pact forces outperform the current F–15 to F–16 as early as 1985 or 1986. Both have thrust-to-weight ratios of about 1.2-to-1 and sustained turning rates and instantaneous turning rates that may better USAF's present front line fighters, and both have significantly advanced avionics.

Col. Donald R. Arnaiz, Tactical Air Command's Assistant Chief of Staff for Intelligence, told the Air Force Association annual meeting last September that the MiG–29 has a look-down/shoot-down radar and exhibits "superb maneuverability for air-to-air dogfights," while the Su–27, he said, "should be very competitive with our best fighters in terms of technology and maneuverability." It reportedly has about one-fifth more acceleration than the MiG–23. The MiG–29, Arnaiz said, had recently become operational, while the Su–27 is expected to become operational this spring. In addition, Russia has fielded two fighter regiments of the MiG–31 Foxhound, a greatly improved version of its MiG–25 interceptor. It is roughly similar to USAF's F–15 and the Navy's F–14, but its Mach 2.4 speed and 80,000-ft service ceiling outperform both US fighters. Another new Soviet fighter is in development.

ARMY/AIR FORCE PRIORITIES

Comparing Army and Air Force investments in platforms versus payloads is a simplistic, but illustrative way of judging relative priorities. In fiscal year 1984, the Army requested a total procurement budget of about $18.9 billion; of that, 28 percent was for conventional missiles and ammunitioon. The Air Force's procurement request totaled $38.9 billion. If one removes the $9.1 billion of that which was for strategic systems like the B–1 bomber, M–X missile, Air Launched Cruise Missile, and Ground Launched Cruise Missiles, the Air Force ended up investing only 5 percent of its remaining procurement dollars in tactical missiles and ammunition—roughly $2.1 billion compared with $5.4 billion for the Army. With the Army spending 2.6 times as much on munitions for conventional battle, even though its procurement budget is only half as large, one has to ask: Are the two Services getting ready for the same war?

WHY WEAPONS RANK SO LOW

Cynics suggest that one reason USAF may be planning on buying so many aircraft is that almost all of its present and programed weapons require pilot to overfly their targets.

Then Lt. Gen. Lawrence Skantze himself suggested as much last spring in the same testimony, when Sen. Edward Kennedy (D-MA) asked him "What alternative ground-attack weapons would the Air Force prefer to employ in the place of Wasp and Maverick if these programs were terminated?" Skantze replied, in an answer supplied later for the record, "The Air Force would be limited to employment of current or near-term inventory weapons such as Rockeye, the 30mm gun, and Combined Effects Munition. Each of these weapons require overflight of the target, and provide neither night nor stand-off capabilities inherent in Wasp and Maverick."

Since, the Air Force has indeed canceled Wasp, a long-range, stand-off, air-to-ground system which was to dispense "near-zero CEP," terminally-guide sensor-fuzed munitions that would search out and destroy tanks and the other such targets. Its development costs, by one estimate, were going to be around $400 million—about 13 percent of what the Air Force has programed for research and development on its new tactical fighter/bombers. A new version of the much shorter-range imaging infrared Maverick has begun production, but MRASM—the medium range air-to-surface version of the Navy's Tomahawk cruise missile—was terminated by Congress during its fiscal year 1984 budget deliberations after receiving only lackluster USAF support. As one senior OSD staffer told AFJ, "As soon as we start one of these new weapons, we cancel the other one."

There is one other reason weapons rank so low on the Air Force's tactical air priority list: by some quirk of bookkeeping or institutional bias, munitions ended up some years ago being funded under a category which the Air Force calls "Other Procurement." And in USAF's fiscal year 1984 budget request, munitions accounted for only $1.2 billion of its $7.6 billion program for "other procurement"—roughly "one-sixth of the 'odds and sods'," as one general officer described the problem to AFJ.

Elsewhere in the same budget account, one finds $3.7 billion for "special projects" (an obscure entry sure to get much more congressional attention to $300 million for vehicles and fork lift trucks, $500 million for base maintenance equipment (brooms, garbage compactors?), and $1.98 billion for communications and electronics. As one pejorative Air Force consultant told AFJ, "Yep, we spend 65 percent more sending out 'frag orders' than we do on munitions to destroy the targets."

One last item: the Air Force used vu-graphs to seek congressional support for its fiscal year 1984 munitions budget. One of them was for new 9mm handguns.

USAF R&D Emphasis—Platforms vs. Munitions

$ in Millions

Program	FY84	FY85	FY86	FY87	FY88	FY89	Total
Platforms or Platform-Related							
Alternate Fighter Engine	98.1	72.0	18.0	—	—	—	188.1
Joint Advanced Fighter Engine	29.0	75.0	151.0	175.1	217.0	133.5	780.6
Engine Model Derivative Program	13.9	9.3	22.3	19.9	22.6	30.1*	118.1
Mission Adaptive Wing	2.7	1.0	0.4	—	—	—	4.1
F-16 A-D	99.0	57.5	28.8	20.3	9.2	9.5	224.3
F-15	117.8	85.8	35.0	16.9	5.5	6.0	267.0
Fighter Derivative	20.0	149.1	126.7	58.6	0.3	0.3	355.0
Advanced Tactical Fighter	6.0	15.2	38.7	35.5	31.6	493.7	620.7
Critical Technology Demonstrator	—	9.4	60.3	64.8	103.1	23.4	261.0
Fighter/Attack Technology (AFTI/F-16)	4.2	2.3	2.8	10.9	18.0	23.0*	61.2
STOL/Maneuver Technology Demonstrator	5.2	17.6	19.3	12.0	6.0	4.0	64.1
Reliability and Maintainability for Fighter Technology Integration	—	0.4	0.5	2.5	2.9	3.2*	9.5
Subtotal, Platforms	395.9	494.6	503.8	416.5	416.2	726.7	2,953.7
Weapons							
GBU-15	1.9	24.9	18.7	—	—	—	45.5
JTACMS	9.9	10.0	39.9	172.0	116.0	95.0	442.8
Subtotal, Munitions	11.8	34.9	58.6	172.0	116.0	95.9	488.3

*R&D continues after FY89

PROCUREMENT OF NEW PLATFORMS VERSUS NEW AIR-TO-GROUND MUNITIONS

[Dollar amounts in millions]

	Fiscal years 1984–89		Total planned	
	Amount	Quantity	Amount	Quantity
Platforms:				
Alternate fighter engine	$1,045.1	....	(1)	....
F–16's	22,474.3	1,158	$35,843.0	1,806
F–15's	24,760.7	1,080	35,765.1	1,368
Dual role fighter [2]	1,550.2	232	2,480.4	[2] 400
Total, platforms	48,785.2	2,238	75,124.6	3,174
Munitions: Improved GBU–15	977.6	4,077	977.6	4,077

[1] Cost to complete yet to be determined.

[2] The $2.48-billion in cost shown here is not for 400 additional aircraft, but the estimated production cost to convert 400 of the 3,174 F–16s or F–15s shown above to the Dual Role Fighter or "Fighter Derivative" configuration.

AIR FORCE-NAVY AGREEMENTS

Senator Nunn. General Gabriel, last year you described a series of initiatives that were the result of the Navy-Air Force Cooperative Agreement of October 25, 1982.

What progress have you made on these initiatives in the past year, and how is this reflected in the budget?

General Gabriel. The joint USAF/USN memorandum of agreement on efforts to enhance Air Force contributions to maritime operations reaffirmed our long-time comitment to assist the Navy. In the past year we have made good progress on the MOA initiatives. For example, a joint flag officer steering group was formed to oversee the effort. We determined the principal mission areas to be addressed are anti-air warfare (AAW), counter air operations, mine warfare, and anti-surface warfare, in that order. Both the Navy and Air Force agree the AAW mission, with F–15s and AWACS aircraft contributing to carrier battle group defense, provide the area for most immediate gains. We have also been exercising together frequently to help develop joint doctrine and test tactics. These exercises involve F–15s, AWACS, refueling, and airlift, as well as B–52s flying observation, mine laying and Harpoon missions. We have learned a great deal from these exercises and intend to increase joint exercises. In January, the

Air Force and Navy signed a B–52 MOA, and we are presently refining tactics for Harpoon employment. We expect to have an operational Harpoon anti-ship missile capability by December 1984.

In other areas, the Navy and Air Force are working to develop and field the Joint Tactical Information Distribution System (JTIDS). This system will allow us to communicate in an anti-jam environment. Additionally, we have increased cross-training and the exchange of interservice combat crewmembers, increased joint planning for exercising on instrumented training ranges throughout the world, discussed Air Force participation in the Navy's programed Mobile Sea Range, and updated a refueling MOA to ensure that future refuelers will be interoperable.

The initiatives between the Air Force and the Navy are reflected in the budget in many ways. For example, the Air Force program $34.3M in fiscal year 1984 and $32M in fiscal year 1985 to support JCS sponsored exercises. Since some of our exercising is done unit-to-unit, unit training funds are also used. [Deleted.] This will give us a much greater capability to protect the Greenland-Iceland-United Kingdom gap against the Soviet long-range aviation threat. This move is contingent upon procuring and completing required support facilities and approval [deleted]. The Air Force is also continuing our program to establish over-the-horizon radars which will improve our coverage in maritime areas. Additionally, we have procured 43 Harpoon missiles and will have two squadrons of B–52s capable of employing this weapon.

In summary, the Air Force and Navy are making excellent progress in implementing the MOA. Moreover, we are attempting to do this by fighting jointly with existing and programed assets. This effort will help us exploit the intrinsic capabilities of available forces in both services.

AIR FORCE–ARMY DOCTRINE

Senator NUNN. What progress are you making with the Army in terms of Air-Land Battle? Is this now a joint Army-Air Force doctrine and how are you implementing this and how is this reflected in the budget?

General GABRIEL. First, AirLand Battle doctrine remains Army doctrine, not joint or combined doctrine. The Air Force has made significant progress with the Army in terms of AirLand Battle. For example, the Air Force agreed to use the Army's AirLand Battle doctrine in conjunction with the basic aerospace doctrine of the USAF and the operational doctrine manuals as the basis for joint operations. Additionally, in April 1983, the Army and Air Force signed a Memorandum of Understanding (MOU) in which we agreed to enhance our combined operational effectiveness by providing operational commanders the most capable, flexible and mutually enhanced mix of forces for joint execution of the AirLand Battle against enemy forces. Particular emphasis was placed on increased joint exercises and training. Other aspects of the MOU include efforts to enhance interservice cooperation during planning and programing processes; increased dialog on AirLand Battle doctrine and related concepts; greater cooperation in the development and coordination of deep attack and interdiction programs; and increased cooperation in the development and coordination of airlift requirements to meet battlefield mobility needs. Efforts in many of these areas are well under way and have resulted in several follow-on actions and agreements, including the establishment of a joint working group that since last fall has been engaged in a collaborative effort to define and reconcile Army and Air Force programs with a view to achieving an integrated fiscal year 1986–90 Program Objective Memorandum.

Another example of the progress made and the resultant impact on our budget was an agreement signed by the two Service Chiefs on July 13, 1983 which addressed several potential joint programs and how the Services planned to resolve programmatic issues. The joint position addressed and budgeted (Air Force funding shown) for such programs as Joint Tactical Missile Systems ($36M for fiscal year 1985), Joint Tactical Fusion Program ($19M for fiscal year 1985, TR–1 PLSS/Tactical Reconnaissance System ($879M for fiscal year 1985), and Joint Surveillance Target Attack Radar System ($100M for fiscal year 1985).

STRATEGY FORCE MISMATCH

Senator NUNN. Last week, Secretary Weinberger reaffirmed that:

"Our long-term goal is to be able to meet the demands of a worldwide war, including concurrent reinforcement of Europe, deployments to Southwest Asia and the Pacific and to support other areas. Given the Soviet capability to launch simultaneous attacks in Southwest Asia, NATO, and the Pacific, our long-range goal is to be capable of defending all theaters simultaneously."

Do we have the resources to carry out the strategy? Is there a resources gap? If so, how does this budget specifically close that gap?

Will you be able to meet requirements of the strategy by the end of the current Five Year Defense Plan?

General GABRIEL. We must first distinguish between the 5-year defense program which extends to 1989, and our long-term goals which extend out over a period of 15 years into the future. The Air Force portion of the long-term goal of simultaneous defense of Europe, Southwest Asia, the Pacific and support for other areas includes the acquisition and deployment of tactical fighter squadrons and the provision of sufficient airlift forces to deploy these and other forces as required. Currently, there is a gap. We are not able to meet these long-term goals now, and we will not be able to meet them by the end of our current 5-year defense program. To do so would require significantly more resources than we can realistically expect. However, modernization and force expansion efforts now under way will allow us to make significant progress toward closing the gap by the end of the 5-year program. For the long term, a continuing commitment of resources is necessary, especially to the C-17 and other airlift programs. The goal is based upon the projected threat, is realistic, and can be achieved with the commitment and availability of required fiscal resources.

IMPROVEMENTS IN AIR FORCE HEALTH CARE DELIVERY

Senator NUNN. Secretary Orr, as you know last year the committee conducted a thorough review of the Air Force's health care delivery system in conjunction with the retirement nomination of former Air Force Surgeon General Paul Myers.

What changes have been made to the Air Force health care delivery system as a result of the recommendations in the Air Force Inspector General's report, the report by Dr. Theodore Cooper and Mr. Sherick, and the committee's report on General Myers' retirement nomination?

Secretary ORR. All recommendations contained in the reports were aggressively addressed by the Air Force Medical Service. Each problem was resolved. The following are specific actions taken by the USAF Surgeon General as a result of these reports:

1. Established an Office of Quality Assurance which is charged with primary responsibiilty to oversee quality assurance/risk management and credentials at the Air Staff level. The Special Assistant for Quality Assurance reports directly to the Deputy Surgeon General.
2. Developed a revised AFR 168-13, Quality Assurance in the Air Force Medical Service, and disseminated this regulation to the Major Command surgeons and Medical Treatment Facility (MTF) Commanders.
3. Established clearly-defined criteria for monitoring quality assurance indicators at the local medical treatment facility level and for identifying and determining a practitioner's skills. This set of quality assurance indicators is used throughout the Air Force. DOD Directive 6025.1, Standards for DOD Health Care Provider Performance, was published on April 19, 1983. This directive requires evaluation of the performance of providers by comparing their mortality rates to specific pre-established norms. It has been implemented Air Force-wide.
4. Established provisions to ensure immediate notification of the Air Force Surgeon General when there is a requirement to utilize a consultant for other than routine requests. In such cases, the Surgeon General will direct action appropriate to the specific situation.
5. Directed specific attention and guidelines be applied to the initial recruitment and accession of health care providers and that medical personnel screening and selection be improved.
6. Clarified procedures for granting or withdrawing practitioner privileges. The Credentials Committee must review the practitioner's credentials and performance prior to granting privileges, and this action must be completed within 90 days after the practitioner arrives at the facility.
7. Mandated that marginal and substandard practitioners come under closer scrutiny of medical treatment facility executive management to expedite action for limiting or removing credentials, and promptly separating the practitioner. Appropriate changes to the Air Force regulations and directives were initiated to provide the mechanism for prompt identification and separation.

8. Ensured compliance throughout the Medical Service with the mandatory dissemination and evaluation of adverse information on DOD Medical officers. This includes training at civilian institutions. Further, procedures now require the Federation of State Medical Boards to be notified of the identity of any provider who is in a decredentialed status at the time of separation from the Air Force.

9. Reviewed the assignment tenure of Medical Service personnel. These assignments are administered within a framework of maintaining viable residency teaching programs, research efforts and patient care.

10. Initiated procedures whereby pertinent information on all Air Force medico-legal claims are provided by Air Force legal channels to the USAF Medical Service. This allows the USAF Medical Service to stay current on claims experience as the Air Force makes important policy decisions and personnel action determinations.

11. Requested the Air Force Directorate of Medical Inspection (AFISC/SG) designate credentialing, quality assurance and risk management as special interest items and establish an extensive checklist which is being used by inspectors during Health Service Management Inspections. Findings and trend analyses of special interest items are distributed to all Air Force medical activities quarterly in the AFISC/SG Quarterly Health Service Management Inspection Summary.

AFMAG RECOMMENDATIONS

Senator NUNN. Secretary Orr, I want to congratulate the Air Force for the excellent review of the spare parts procurement process by the Air Force Management Analysis Group.

What progress are you making implementing the recommendations of this study?

Secretary ORR. Implementation of the Air Force Management Analysis Group's recommendations continues on track. As of February, 6 of the 178 recommendations were approved for close out by the General Officer Steering Committee. On March 6, 16 additional recommendations are scheduled for close out consideration by the same committee. Cumulative completions should then total 12 percent (22 of 178 recommendations). Timetable forecasts calling for 40 percent completion (71 recommendations) of the total by July 1, 1984 remain on target. Although progress is steady, it must be noted that the completion of recommendations such as ADP and changes to Public Law will be a lengthy process.

SPARE PARTS INITIATIVES

Senator NUNN. Does the increase in Air Force civilian strength in fiscal year 1985 include additional civilians in procurement functions?

Secretary ORR. The fiscal year 1985 increase in civilian manpower includes 2,849 authorizations dedicated to improving the procurement of spare parts. These people will obtain engineering data rights, provide parts breakout, develop competition, screen procurements for proper cost, perform reverse engineering for local manufacture and other alternate sources, review packaging requirements, improve data automation and initiate more intense procurement negotiations. A Competition Advocate Division has been established at each Air Logistics Center and at the major command headquarters to spearhead this effort, with the objective of buying our spares smarter and more efficiently.

TACTICAL FIGHTER MODERNIZATION

Senator NUNN. The tactical fighter units at Moody AFB and Dobbins AFB are still equipped with F-4 aircraft despite the Air Force's substantial investment in tactical fighter modernization.

What are the Air Force's plans for the modernization of the two tactical fighter units?

General GABRIEL. The F-4 is a mature weapon system which will continue to perform vital roles through the 1980's. The 347th Tactical Fighter Wing at Moody AFB currently has three F-4E squadrons assigned with 24 aircraft each. Current Air Force plans call for converting the wing to a more modern aircraft type during the Five-Year Defense Plan (FYDP). The 128th Tactical Fighter Squadron (TFS), ANG, at Dobbins AFB transitioned in fiscal year 1983 from the F-105 to the F-4D aircraft. In 1984, this unit grows from 18 to 24 aircraft. Present plans also call for converting the 128th TFS during the FYDP.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

DPEM BACKLOG

Senator **LEVIN**. General Gabriel, despite the allegedly high priority readiness that has been given in the AF budget in fiscal year 1985, and despite the administration's pledge two years ago to eliminate depot maintenance backlogs of all the services in fiscal year 1983, is it not true that the AF will have an executable aircraft depot maintenance backlog of about $100 million in fiscal year 1985?

General **GABRIEL**. Yes, that is correct. The Air Force has placed a high priority on incremental reduction of the depot maintenance backlog. Upon submission of the fiscal year 1984 President's budget, the Air Force was estimating a fiscal year 1984 shortfall of $84 million and had programed the fiscal year 1985 Depot Purchased Equipment Maintenance (DPEM) program to have a $55 million shortfall. Several changes occurred after submission of the fiscal year 1984 President's budget that increased the fiscal year 1984 shortfall from $84 million to $317 million. These changes included $100 million to correctly align the prices charged by the Depot Maintenance Industrial Fund (DMIF) to actual cost being incurred by the DMIF, $44 million to support repair of two damaged C-5 aircraft, $49 million of non-programmatic funding reductions, and $40 million for increased aircraft maintenance/modification installation requirements. These increases were carried over into fiscal year 1985 and caused the fiscal year 1985 shortfall to increase. The Air Force was able to add funding to the DPEM program so that the fiscal year 1985 shortfall could be reduced to $133.8 million.

REPLEN SPARES/READINESS

Senator **LEVIN**. This administration and the Air Force claim that they have made great improvements in readiness. However, although funding for spare parts has increased $2.6 billion since fiscal year 1980, the shortage of spare parts actually has gotten worse and the only way the Air Force has been able to deal with the problem has been to rob our war reserve stocks or cannibalize parts from one aircraft to another. Would you agree this is true?

General **GABRIEL**. This is not true. Aircraft replenishment spares have an average 2-year procurement leadtime with many aircraft engine items having even longer leadtimes. Of the $2.6 billion spare parts funding increase, $1.0 billion was provided in fiscal year 1982. Because of the long leadtimes, many of the spares purchased with the $2.6 billion have not yet arrived in the field. These spares are arriving daily and resulting in improvements in readiness and sustainability. For example, Mission Capable (MC) rates increased from 66.8 percent in fiscal year 1982 to 68.2 percent in fiscal year 1983. Fully Mission Capable (FMC) rates also increased from 58.2 percent in fiscal year 1982 to 59.4 percent in fiscal year 1983. These increased capability rates were achieved even with continuous force expansion, modernization and modification, and even with an increase in the flying hour program from 3,405,000 hours in fiscal year 1982 to 3,433,000 hours in fiscal year 1983.

In absolute terms, the number of cannibalizations and war reserve withdrawals declined from an average of 26,415 per month in fiscal year 1982 to an average of 20,688 per month in fiscal year 1983. Expressed in terms of cannibalizations/war reserve withdrawals per 100 flying hours, the decrease was from 9.31 in fiscal year 1982 to 7.23 in fiscal year 1983. Further, the number of non-mission capable-supply (NMCS) incidents per 100 flying hours decreased from 16.5 in fiscal year 1982 to 13.9 in fiscal year 1983.

These indicators clearly show that the increased spares funding is beginning to show results as we are experiencing improved MC/FMC rates with decreasing reliance on cannibalizations and war reserves.

READINESS

Senator **LEVIN**. According to my information, developed from DOD data, that number of times the Air Force had to rob its war reserves to meet spare parts needs in fiscal year 1980–83 has increased as follows for the following frontline aircraft: F–15, 92 percent; F–16, 160 percent; A–10, 118 percent.

The cannibalization rate for the F–15 actually increased 37 percent between fiscal year 1982 and fiscal year 1983. Almost 50 percent of all spare parts requisitions were filled through war reserve withdrawals or cannibalization in fiscal year 1983.

How can the Air Force argue that it is paying enough attention to readiness and sustainability (our war reserves measured in "days of supply") with this sorry track record?

General GABRIEL. Although cannibalization and war reserve withdrawals have increased in raw numbers by the percentages indicated, the number of these incidents per flying hour has remained constant or deceased. For example, the combined cannibalization and war reserve withdrawal rates for the F-15 decreased from 22.02 per 100 flying hours in fiscal year 1982 to 20.81 in fiscal year 1983. The F-16 comparison is inappropriate as it compares a flying hour program of 21,000 hours in fiscal year 1980 versus a flying hour program of 137,000 hours in fiscal year 1983. A better comparison would be a drop in the cannibalization/war reserve withdrawal rate from 8.75 per 100 hours in fiscal year 1982 to 6.85 in fiscal year 1983 despite increasing the flying hour program by 42 percent. A similar decrease was noted for the A-10 which dropped from 5.18 in fiscal year 1982 to 3.97 in fiscal year 1983. For the entire Air Force, the combined number of cannibalizations and war reserve withdrawals fell from 228,691 in fiscal year 1980 to 227,565 in fiscal year 1983 despite an increase in flying hours from 3,125,000 to 3,433,000. Expressed in numbers per flying hour, the decrease was from 7.32 to 7.23 over the same period. The drop from fiscal year 1982 to fiscal year 1983 (9.31 to 7.23) was even more dramatic and showed the impact of the increased fiscal year 1981 and fiscal year 1982 spares funding as the new assets began to arrive from procurement. The data clearly reflect the succesful emphasis the USAF has placed on readiness and sustainability.

READINESS REQUIREMENTS PLANNING

Senator LEVIN. If you contend that increasing requirements, not underfunding, is the cause of the problem, that clearly does not say much for your planning system, especially since we have had significant operational experience with all these aircraft, especially the F-4, which also contributes to these statistics and is a very old fighter. What are you doing to fix the requirements planning system?

General GABRIEL. We have made a number of changes and are planning other improvements in the system. For example, the Air Force has developed macro requirements planning models that consider the age of the aircraft and the impacts of modifications. These models are used to verify estimates developed on an item-by-item basis. In addition, we have implemented a number of recommendations from the March 1983 Corona Require Study on requirements growth. The Corona Require Study analyzed the reasons for the unexpected growth between 1981 and 1982. Three initiatives—current unit price data, dedicated personnel for outyear forecasting, and a system to control requirement changes—will also significantly improve the requirements planning system.

WARTIME SUSTAINABILITY

Senator LEVIN. Is it not true that, because the Air Force has had to rob our war reserves to keep its aircraft flying in peacetime, that since this administration took office, there actually has been little—if any—increase in our wartime sustainability for the AF's tactical aircraft—measured in terms of days of war fighting capability?

General GABRIEL. No, that is not true. Total war reserve stock levels have grown significantly since 1981, leading to remarkable improvements in tactical forces sustainability. The number of days of fully supported wartime sortie rates has increased by 140 percent since 1981 and the total number of supportable wartime sorties has increased by 62 percent.

READINESS

Senator LEVIN. It is my understanding that even the fiscal year 1985 budget does not represent any net increase in the days of wartime sustainability for our existing tactical air forces and most of our airlift forces, except for the C-5. Would you agree?

General GABRIEL. No, I would not. We are doing well in funding sustainability. The fiscal year 1985 budget does provide significant improvements between fiscal year 1985 and 1987 when measured in terms of the size of the force structure and supportable sorties. For example, the fiscal year 1985 budget funds a growth of over 11 percent in the number of supportable sorties for the tactical forces. In strategic airlift, the budget supports a growth of over 18 percent in delivery capability to Europe. Most of that goes to the C-5, where our airlift force build is occurring.

REPLEN SPARES FUNDING

Senator LEVIN. What level of spares funding would be required over the next 2 years to support the current flying hour program without cannibalization or further reducing war reserve stock? What additional level of funding would be required to replenish depleted war reserve stocks? What level of spares funding has been requested by the Air Force?

General GABRIEL. Although we continue to decrease cannibalization and war reserve withdrawal rates, zero rates would not be a prudent course of action. The requested funding for full peacetime operating stock (POS) in fiscal year 1985 ($3.7B) and fiscal year 1986 ($3.6B) will fully support the flying hour program with acceptable cannibalizations and war reserve withdrawals. The Air Force requires $1.5B in fiscal year 1985 and $0.7B in fiscal year 1986 for War Readiness Spares Kits/Base Level Self-Sufficiency Spares (WRSK/BLSS) funding coupled with the above POS funding to complete War Reserve Kits for existing squadrons and to purchase new kits for additional squadrons being added between now and fiscal year 1988. War readiness funding for WRSK/BLSS is $0.6B in fiscal year 1985 and $1.3B in fiscal year 1986. The total Air Force request for Aircraft Replenishment Spares is $4.3B for fiscal year 1985 and $5.0B in fiscal year 1986.

B-1B COST ESTIMATION

Senator LEVIN. If DOD's CAIG, the independent cost estimating group with the best track record in these matters, was unable to validate whether the production costs of the B-1B—most of the $20.5B—are accurate, and whether, as Secretary Weinberger says, "to validate the conclusion that funding remains adequate," how could the AF?

General GABRIEL. Secretary Weinberger tasked the Air Force to conduct the financial analysis for the B-1B Cost Recertification that he made on January 31, 1984. Three separate, independent agencies within the Air Force conducted financial analyses, which were provided to the Office of the Secretary of Defense Cost Analysis Improvement Group for their review. An abbreviated explanation of the work done by these Air Force Agencies follows:

(a) The B-1B Program Office performed an annual estimate of the B-1B program tracking both the program cost and content to the 1981 baseline. This estimate supports Air Force Systems Command's current estimate of the program.

(b) Senior Aeronautical Systems Division Comptroller personnel conducted an Independent Sufficiency Review of the B-1B Program Office annual estimate. They reviewed the estimate for reasonableness (acceptable estimating methodology), consistency (cost compatible with scope of work), and completeness (all work as defined by the 1981 baseline cost estimate) and reaffirmed the validity of the $20.5 billion estimate.

(c) The Air Force Systems Command Comptroller led a detailed analysis of the contractor's cost and schedule performance to date. Estimates-to-complete for contracted effort, contract change analysis, application of management reserve, and manloading were studied and used to validate the B-1B Program Office annual estimate.

B-1B

Senator LEVIN. Does the fiscal year 1985 budget request for DOD include any funding for advance procurement for production of more than 100 B-1B bombers?

Is any office anywhere in DOD or the AF considering in any form, a plan to procure more than 100 B-1B bombers, whether as a "fallback" to the current procurement plan of a mix of B-1B's and Advanced Technology Bombers or as an alternative to the current plan?

General GABRIEL. No. The President's fiscal year 1985 budget requests approximately $1.5B in advance procurement solely for production Lot V (48 B-1B's). There is no advance procurement funding for more than 100 B-1Bs.

The Department of Defense is solidly behind President Reagan's Strategic Modernization Program described in October 1981. In that announcement, President Reagan declared his intent to develop and deploy 100 B-1Bs and to continue the vigorous research and development program for an Advanced Technology Bomber. There is no alternative plan to that overall bomber roadmap.

Senator Levin. What is the new cost of the 100 B-1B bomber program in then-year (inflated dollars)? Provide a breakdown annually from program inception to completion, along with a breakdown each year among R&D, procurement, Milcon and O&M dollars.

General Gabriel. The $20.5 billion (fiscal year 1981 $) acquisition budget estimate, designed to produce 100 B-1Bs with an initial operational capability in 1986, includes procurement of the weapon system, initial spares, and RDT&E. The certified budget estimate does not include Milcon and O&M. The baseline program is as follows:

THEN YEAR

[In millions of dollars]

	Fiscal year—								
	1981	1982	1983	1984	1985	1986	1987	1988	Total
RDT&E	219	471	754	737	508	375	139	31	3,234
Weapon system		1,612	3,868	5,572	7,103	5,426			23,580
Initial spares			165	553	610	160			1,488
Total	219	2,083	4,787	6,862	8,221	5,961	139	31	28,303

The current 5-year defense plan has the following funding profile for B-1B MILCON and O&M.

	Fiscal year—					
	1984	1985	1986	1987	1988	Total
MILCON	[Deleted.]					
O&M	[Deleted.]					

IMPORTING VEHICLES THROUGH GUAM

Senator Levin. Secretary Orr, why have you made the policy decision for the Department of the Air Force to subsidize the purchase of Japanese-made automobiles at a time when my State of Michigan is still suffering record unemployment and the U.S. automobile industry is still trying to recover from the worst slump in its history?

Why would you construct your policy so as to benefit only some U.S. service personnel and not others, especially when those to whom you are giving the benefit are buying Japanese cars, and those to whom you are not giving the benefit are the . . .?

Please explain fully the rationale for designating Guam as an "alternate port" for the shipment of Japanese-made vehicles sold to members of the Armed Forces serving in Japan and Okinawa.

Is there any other case in which the Secretary has made a decision authorizing the blanket designation of a given place as an "alternate port" for shipment of foreign-made privately-owned vehicles? If so, what was the justification for such decision?

Please explain what consideration, if any has been given to allowing U.S. Service personnel stationed in Japan and Guam to purchase and ship their Japanese-made automobiles from Japan, and what the cost difference would be if this took place, rather than shipment through Guam.

What, if any, consideration has been given to alternatives other than the designation of Guam as an "alternate port"?

Secretary Orr. We support the U.S. automobile industry and have established a policy which tightens the use of alternate ports. This tightening has been accomplished by the elimination of Guam as an alternate port for members stationed in Korea, the Philippines, and other areas of the world, except for members in Japan. This policy will serve to reduce the number of vehicles shipped from Guam. The decision to allow members in Japan to use Guam as an alternate port recognizes the unique circumstances of a Japan assignment. Furthermore, the establishment of this blanket authority for Japan precludes micro-management of the situation and limits the impact on our members who have had their options severely reduced by the Japan assignment.

The Department of the Air Force policy decision continues to provide a benefit for our Service members serving in Japan. Personnel ordered to this area incur significant unreimbursed expenses; specifically, they are precluded from taking their automobiles to Japan. The cost of storage or the loss through sale is not reimbursed. Once in the overseas area, they buy automobiles conforming to the local automobile standards, thereby incurring a second expense. Upon departure from the overseas area, they sell the automobiles they used because these automobiles do not conform to United States standards. Again, they incur the expense associated with the loss of the sale. To mitigate these expenses, the decision was made to continue the policy of permitting these Service members to ship a vehicle—regardless of United States or foreign manufacture—from Guam and to require the Service member to pay for only that portion of the shipping cost exceeding the cost that would have been incurred if the vehicle were shipped from the port normally servicing the overseas duty station. The decision as to what, if any, vehicle is purchased is the decision of the Service member.

This policy is constructed to benefit any member serving in Japan. If a member decides to purchase a vehicle from a Guam automobile dealer, that Service member may receive the partial shipping benefit equating to the cost of shipping the vehicle from port normally servicing the member's overseas station. Service members serving in areas other than Japan do not face the same set of circumstances and have, therefore, been precluded from using Guam as an alternate port. Further, it is important to emphasize that members stationed elsewhere may ship their privately owned vehicles to and from the overseas area. Members in Japan do not have this option unless their U.S. vehicle was made prior to March, 1976. On an individual basis, members assigned to Japan cost the U.S. government considerably less than members assigned elsewhere.

Japan and Okinawa are the only locations where the unique hardship experienced by Air Force members, in large numbers, warrants this action.

American specification Japanese-made automobiles are currently not available in Japan for purchase by U.S. service members. Therefore, a policy to permit shipment has not been considered. If it were to be permitted, shipment costs would roughly parallel those costs incurred for shipment from Guam.

Two other alternatives have been considered. We support the Department of the Navy legislative proposal which, if enacted, would permit Government-funded storage of an automobile when shipment to an overseas duty station is precluded. Enactment of such legislation would mitigate the expense of sale or storage of an automobile now borne by service members. A second alternative, that of providing a cost-of-living allowance (COLA) for personnel precluded from shipping vehicles, would be contrary to the intent of an overseas COLA. The overseas COLA is intended to preserve the purchasing power of the Service member's military income in an economy that would otherwise force a living standard reduction.

JAPANESE BAN ON U.S. AUTOS

Senator LEVIN. What efforts, if any, have been undertaken by DOD to persuade the Japanese Government to remove their ban since the late 1970's against use in Japan of all U.S. made automobiles manufactured after 1977 and owned by U.S. military and civilian personnel serving in Japan and Okinawa?

Secretary ORR. In addition to talks between U.S. Forces in Japan and the Government of Japan in 1982 and earlier, the issue was raised formally in the U.S.-Japan Joint Committee on two separate occasions without success. Also, a separate State Department approach to the Japanese Embassy was unsuccessful.

VEHICLES SHIPPED VERSUS VEHICLES PURCHASED

Senator LEVIN. Please provide figures for the number of Japanese manufactured vehicles shipped at U.S.-taxpayer expense through Guam to the United States during fiscal year 1981, 1982 and 1983, respectively.

During the same time period (fiscal year 1981–83), please identify the total number of American-made vehicles purchased through the AAFES program in Japan and Okinawa.

Secretary ORR. Japanese made vehicles shipped through Guam:

	1981	1982	1983
Air Force shipments	93	336	934

U.S. vehicles purchased through AAFES:

	1981		1982		1983	
	Okinawa	Japan	Okinawa	Japan	Okinawa	Japan
Automobiles	550	326	594	293	547	266
Motorcycles	44	6	50	6	33	6

IMPORT OF FOREIGN-MADE AUTOMOBILES

Senator LEVIN. It was our understanding that the DOD Per Diem Committee on December 15, 1983, issued a decision which was reported to Members of Congress as "tightening" the Joint Travel Regulations by withdrawing from local commanders the authority to designate Guam as an "alternate port" on a case-by-case basis. Since that time, however, each of the Secretaries of the respective Services has issued blanket instructions designating Guam as an "alternate port" for all those stationed in Japan and Okinawa. Please provide us with an estimate of the consequence (1) in cost to the U.S. taxpayer, and (2) in numbers of Japanese-made vehicles that are projected to be shipped by the Government by virtue of the "tightening"' of the JTR's, at least as such figures relate to Japanese-made automobiles purchased by U.S. service personnel stationed in Japan and Okinawa.

Are those Japanese-made automobiles shipped through Guam at taxpayer expense included in the voluntary quota applicable to Japanese manufacturers?

For each popular model of Japanese-made automobile and for each port to which such automobiles are shipped through Guam on behalf of Armed Services members, please provide the full cost in terms of avoided customs, transportation, loading, and shipping for each vehicle-type.

General GABRIEL. Each member returning from Japan has a funded privately owned vehicle (POV) shipping entitlement by virtue of his/her assignment. Consequently, there is no added cost to the U.S. taxpayer for shipping.

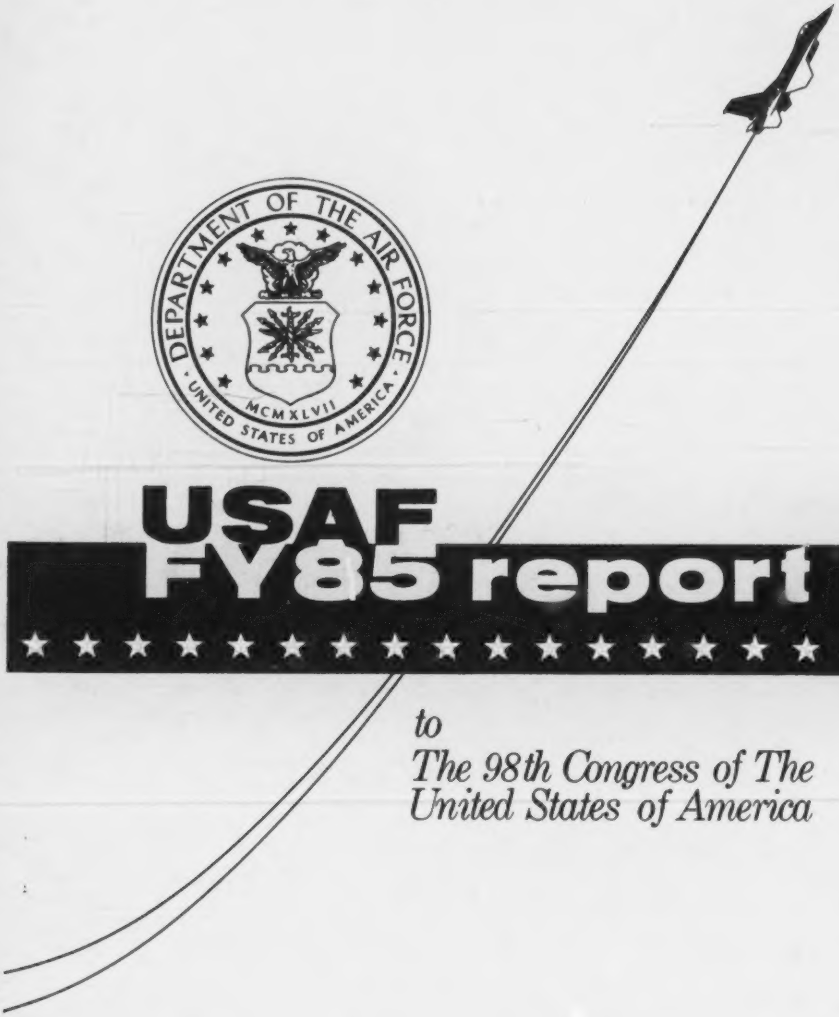
The number of POVs that would be shipped by members in Japan through Guam is estimated to be 540 for calendar year 1984.

The Department of Commerce (Division of Auto Industries) has advised that the voluntary export constraint of the Japanese Government does not include any vehicle delivered to a dealer in Guam, whether the car remains in Guam or is later shipped to the United States.

There is no significant difference between types of vehicles. Transportation of an averaged sized vehicle would cost $1,800 if shipped loose, and $1,600 if shipped in an ocean container. These costs include documentation, loading/unloading, and over-ocean shipping. If a member takes possession of a POV in Guam, there are no import taxes at the port of entry since the POV is considered as part of the member's personal effects. If a member does not take possession in Guam, an import tax of 2.7 percent of the purchase price is paid by the member at the port of entry.

Chairman TOWER. The committee is adjourned.

[Whereupon, at 12:20 p.m., the committee adjourned.]



USAF FY85 report

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to
The 98th Congress of The
United States of America

EXECUTIVE SUMMARY

Over the past three years, the Air Force has made a good start in regaining its strength — strength sapped by inadequate support for defense in the 1970s. Although we still have a long way to go, we're beginning to see results in the quality of our forces — highly skilled and motivated people with the right equipment, innovative tactics, and realistic training. With public and congressional support, we will keep up the momentum in building strong and ready forces.

Since we reported to Congress last year, the conflicts in Lebanon, Afghanistan, and elsewhere around the globe continue to show that we live in a dangerous world. The Soviet Union continues to exploit local and regional conflicts in Southeast Asia, the Middle East, Africa and Central America. The community of nations also witnessed the Soviet Union's shooting down of KAL Flight 007. The stronger the Soviet military gets, the more brazen become the expressions of that power.

Working to build a dominant military power, the Soviets continue to outpace us with more and improved weapon systems. For example, in the past decade the Soviet Union has substantially outproduced the United States in conventional weapons: five to one in tanks and other armored vehicles, two to one in tactical combat aircraft, and more than two to one in attack submarines — all the while proclaiming their desire for peace in the world.

In the 1940s, we and our allies paid a terrible price for a false peace held out by a totalitarian regime. Experience taught the free world a hard lesson: weakness and appeasement lead not to peace but to war. Since World War II, we and our allies have depended on strong forces to deter aggression. We enjoy our security and freedom because we have strength in national will and the forces to back it up — the prime elements of deterrence.

Our nation is striving to maintain peace through a policy of deterrence and arms reductions. For nearly 40 years, our strong nuclear forces have successfully deterred general war and assured the security and peace of Western nations. To keep that peace, we have to maintain strong deterrent forces while we pursue equitable and verifiable arms reductions agreements with the Soviet Union.

Priorities

While we focus on countering Soviet nuclear forces, we must also be prepared to meet the threat from the Soviets and from other quarters across the entire spectrum of conflict. Consequently, we have structured our priorities to deter aggression at any level — special operations, small and large scale conventional combat, or strategic nuclear war. Our success depends on getting the most out of every dollar and ultimately on the quality and dedication of our people. Well-trained, well-led, and highly motivated people are the key to strong and ready forces. We have top-notch, well-educated people in uniform today, and best of all, they are staying in. Concern for our people is always our first responsibility.

We continue to emphasize the priorities we set last year to correct our most pressing deficiencies.

- Modernize strategic forces (offensive and defensive)
- Improve readiness and sustainability of general purpose forces
- Increase airlift capability
- Modernize and expand tactical forces

Moreover, our increasing use of space for national defense and civilian purposes makes it prudent that we place greater emphasis on improving our capabilities in space. Emerging technologies promise to improve our ability to operate in space more efficiently and effectively from space. We need to be prepared to take advantage of the opportunities and challenges space-based systems present.

Strategic Modernization

Modernization of our triad of strategic offensive forces -- bombers, intercontinental ballistic missiles, and submarine-launched missiles — was generally deferred during the 1970s. But during that time, the Soviets worked relentlessly to improve and expand their strategic arsenal. Some 75 percent of the nuclear warheads on Soviet strategic weapons are on systems less than five years old, while some 75 percent of the warheads on US strategic weapons are on systems more than 15 years old. Consequently, the balance shifted as the Soviets gained important advantages in many measures of strategic nuclear strength.

To maintain a credible deterrence and a stable nuclear balance, the President, in October 1981, directed that we undertake the first comprehensive modernization of our strategic forces since they were built in the 1950s and 1960s. We are vigorously pursuing this program to redress the imbalances created by the Soviet buildup and our failure to keep pace. We are improving the survivability, endurance, and capability of our strategic surveillance, warning, and command, control, and communications systems. To improve strategic defense, we are modernizing our continental air defense forces, and for the longer term we are developing technologies to provide a comprehensive strategic defense. Moreover, three squadrons of B-52s equipped with air launched cruise missiles (ALCMs) are now operational. We will procure a limited number of ALCMs and we want them to be as capable as possible. Therefore, we are developing and will deploy the advanced cruise missile. The B-1B program is on schedule and within costs, with the first aircraft to roll out in October of this year. The force will build rapidly thereafter with 100 aircraft delivered by the middle of 1988. We are also developing the Advanced Technology Bomber (ATB) that will take full advantage of low observable technologies.

Thanks to the President's Commission on Strategic Forces and to congressional support, we finally have a comprehensive program under way to upgrade our land-based ICBMs. We have established a program office at Norton Air Force Base to manage the development of the new small ICBM for the 1990s. The number of people working on this program will double this year and a general officer will head this office by mid-year. With three test launches completed to date, Peacekeeper development is on track, with initial deployments in Minuteman silos scheduled for late 1986.

Our strategic offense and strategic defense programs are tied closely to US arms control efforts — a triangle of initiatives designed to bolster deterrence and improve crisis stability. We strongly support efforts to reach agreements with the Soviets on deep, equitable, and verifiable reductions in nuclear forces. We remain confident that dialogue with the Soviets on strategic and intermediate-range nuclear forces can produce agreements that substantially reduce nuclear arsenals on both sides and help reduce tensions. We look forward to prompt resumption of negotiations.

Readiness and Sustainability

Because of extremely tight defense budgets in the 1970s, readiness and sustainability efforts were delayed to fund badly needed tactical force modernization and a modest expansion of our force structure. We simply didn't have the dollars to keep our people, facilities, and equipment fully ready for combat.

The highest priority for our general purpose forces is to improve readiness and sustainability which allow us to get the most out of what we've got. Our recent involvement in Grenada clearly showed the importance of preparedness — we had the proper planning, the well-trained people, and the right equipment when we were called upon.

During the past three years, we've more than doubled the funding for readiness and sustainability, and we are seeing good results in the quality of our people in the active and reserve forces and in the equipment, spares, and fuel needed to fight. Additional funding has also contributed to increased flying hours, realistic exercises for combat-like experience, and hands-on training for skilled mechanics. Even with the rigors of aggressive training, tough exercises, and frequent deployments, 1983 was our safest year on record, with 1.73 major accidents per 100,000 flying hours — a significant improvement over even 1982's record rate of 2.33. The flying safety record shows the effects on combat forces when readiness initiatives such as increased flying hours, spare parts, and realistic training are sufficiently funded.

Logistics — including munitions and spare parts — plays a critical part in readiness and sustainability. We're increasing our munitions stocks, including air-to-air and air-to-surface missiles. Since FY 81, we've more than doubled funding for such munitions. We are also making headway against shortfalls in replenishment spares. We now have sufficient spares to generate two times the number of tactical sorties we could fly in 1980.

As we replace aging systems, expand our forces, and increase our stocks of spares, we are stressing sound management practices to ensure we get the most for our money. Along with realistic budgeting and program stability, we continue to explore competition, multi-year purchasing, contractor support, and economic production rates for improved economies and efficiencies. Our intensive study, particularly by the Air Force Management Analysis Group (AFMAG), of our system for buying spares has produced excellent suggestions for improving management. Many of these have been adopted. We are pursuing all available means to provide civilian spaces needed to ensure price reasonableness and expand competition in our spares acquisition program. Thus, we have asked for and received from DoD a civilian overstrength authority for 1,000 spaces in FY 84 and we have programmed another 1,900 spaces, mostly for Air Force Logistics Command, in FY 85.

In 1983 there was much media attention on high prices for spare parts. It is important to note that nearly every instance highlighted by the media was uncovered by Air Force people as we worked diligently to unearth and correct all instances of improper pricing. Together with the public and Congress, we will not tolerate overpricing and mishandling of spares acquisition. We've asked for industry's cooperation and put business on notice that we'll pay a fair price and no more.

To reduce the vulnerability of our people and resources to terrorist attacks, we have established an anti-terrorism program that includes security precautions, defensive measures, intelligence and awareness programs. We also established a special task group, chaired by a general officer, to examine all aspects of the terrorist problem. This group will report on the status of anti-terrorism programs and recommend improvements. In all our efforts, we are working closely with the other services, as well as civilian and host nation authorities.

Force Projection

Even with the finest people, aggressive training, and high quality equipment, our combat forces cannot deter or, if need be, defeat aggression unless they can deploy quickly to wherever American interests are threatened. For too long, a lack of airlift capability to deploy forces to potential battlefields has jeopardized our combat potential. Only recently have we begun to improve the situation.

Our increased stock of spare parts, the near-term buy of 50 C-5Bs and 44 additional KC-10s, and a contract to add cargo-convertible features to 19 commercial passenger aircraft will increase our air deployment capability by almost 75 percent. Yet, that would still leave necessary combat units far from the battlefield during the early days of any crisis.

To satisfy remaining inter- and intra-theater airlift requirements, and to replace aging C-141 and C-130 aircraft in the 1990s and beyond, we are developing the C-17. Able to operate into at least three times as many free world airfields as our current intertheater airlift force, the C-17 will deliver combat units directly from their home stations to their final theater destinations. The evolving mix of C-130, C-141, C-5, KC-10, C-17, and commercial aircraft will, for the first time, provide our combat forces comprehensive air mobility.

Equally important, the air refueling requirements of both our strategic and conventional forces have grown dramatically in recent years. To satisfy these needs, we are modifying our KC-135s with new engines and other improvements to increase capability by roughly 50 percent. KC-10s will also provide air refueling capability while significantly helping our airlift force.

For lower level conflicts in particular, improving our special operations forces is one of our most important initiatives. We will include the HH-60D/E in both the special operations and combat rescue forces. Additionally, we will be modifying existing HC-130, AC-130, and MC-130E aircraft and purchasing MC-130Hs specifically for the special operations mission.

Tactical Forces

We are continuing to buy the best fighters in the world today — the combat-proven F-15 and F-16. We will improve their air-to-surface, night, and weather capabilities to meet the growing threat from Soviet forces. Emphasis continues to be on better avionics and munitions. We're also committed to stable production of F-15s and F-16s to modernize and expand our tactical forces. Our goal is to achieve 40 tactical fighter wings before the end of the decade.

We anticipate that the alternate fighter engine competition will provide significant benefits in reliability, cost effectiveness, performance, and maintenance. To complement the F-15s and F-16s, we intend to procure a dual role fighter. We will also continue developing the advanced tactical fighter, taking advantage of promising technologies to meet anticipated advances in Soviet fighter capabilities in the mid-1990s and beyond.

To counter Soviet intermediate range nuclear forces (SS-20s and SS-4s) aimed at Western Europe, we are working closely with NATO nations. Further, we have begun to deploy ground-launched cruise missiles (GLCMs) in the United Kingdom and are proceeding with deployment plans for Italy and other European allies.

Space

As in the early 1920s when airpower applications were just being talked about, we are now in the early stages of considering how assets in space can contribute to deterrence. US forces are more dependent than ever on systems in space and that dependence will continue to grow. We use space systems for surveillance, tactical warning, navigation, meteorology, communications, and command and control for land, sea, and air forces. During the past year, the operational emphasis provided by Air Force Space Command has improved our ability to support and control our valuable assets in space.

Recognizing the Soviet threat in space, our own growing dependence on space, and the military potential of space systems, the Air Force recommends that a unified space command be established soon. The unified space command would exercise operational responsibility for US military space systems, conduct planning for wartime use of space assets, be the focal point for military requirements in space, and be the advocate for new systems.

The Soviets are already busy exploiting space for military advantage, including deployment of an anti-satellite weapon. Since Sputnik in 1957, the Soviets have launched twice as many spacecraft as the United States, and 85 percent of their space activities are related to military efforts. Our nation cannot allow the development of a dangerous imbalance in military capabilities in space. Rather, we need to keep our technological lead in space systems, pursue promising avenues to strengthen deterrence by countering Soviet space efforts, and hedge against potential breakthroughs in Soviet capabilities. We can no longer think of space solely as a safe place for peacetime activities and civilian accomplishments. At a minimum, we have to ensure our space systems can survive and operate in a wartime environment.

People

A renewed sense of patriotism, increased public support, and well-deserved increases in compensation have reversed the grim situation we faced in the late 1970s. In those years too many of our experienced people hung up their uniforms to find a better life for themselves and their families. In contrast, FY 83 was the best recruiting and retention year ever for the Air Force. In FY 83, 98 percent of new recruits had high school diplomas compared to 83 percent in FY 79. First term reenlistments of eligibles rose to an all-time high of 66 percent compared to 36 percent in FY 80. If FY 79 continuation rates had persisted, three out of every four pilots in the six-to-eleven-year group would have left us. If present trends continue, we will keep more than three out of four.

As a result, we now have a more experienced, high quality, and well-trained force to operate our modern weapons systems. But we cannot become complacent. An improving economy, rising employment opportunities, demographic changes, and other factors require that we keep pay and entitlement increases corresponding to those in the civilian sector. We know from the experience of the late 1970s that if pay is not comparable to that available in the private sector, many of our experienced people will leave us.

Of particular concern is the military retirement system, our number one career incentive. The current system works well in helping us maintain a vigorous, experienced, and combat-ready force. Reductions to the retirement system adversely affect retention, readiness, and our overall ability to get our job done.

Even now we need additional skilled people to operate our new equipment and to keep our forces ready for combat. Congressional curtailment of end strength growth in FY 84 will degrade performance and safety, weaken morale, and ultimately reduce preparedness. Together with continued pressure to reduce US manpower in Europe, this reduction means that without the requested growth in FY 85 we would not have enough people to accomplish our missions and fulfill national commitments.

Total Force

The Total Force includes all active and reserve components of the Air Force. The Air Reserve Forces (ARF) contribute more than two-thirds of our nation's air defense interceptors, half of our tactical reconnaissance mission, and about 60 percent of tactical airlift. Moreover, they provide half of our strategic airlift and tanker/cargo crews. In addition, over 11,000 Individual Mobilization Augmentees (IMA) are assigned to active duty Air Force units. As members of the Selected Reserve, they provide important support to the active force in critical wartime skills such as engineering, medicine, and security police.

Reserve forces are flying modern, first-line equipment such as our F-16 and A-10 fighters, C-5 and C-141B transports, and KC-10 tankers and will receive F-15s in the future. We also plan to increase mission support activities in air base ground defense, aeromedical evacuation and medical service units, as well as aerial port units. The Guard and Reserve show themselves highly capable in exercises and competitions. We're proud of the mix of forces we have now and will continue to look for opportunities to expand the role of the ARF.

Although force mix decisions involve many complex factors, helping the active force meet and sustain wartime surge requirements continues to be the primary way we plan to use our reserve forces. Unprogrammed, random force mix changes could severely affect our readiness and flexibility in meeting requirements.

Installations

The Air Force fights from its bases. Consequently, our bases need efficient facilities to support advanced weapon systems and the people who operate and maintain them. During the rest of the decade, we need major capital investment in our bases — an investment that will return high payoffs in readiness and sustainability. We have to maintain, repair, and replace old, inadequate facilities and, when necessary for our mission, build new facilities.

Good examples of needed new construction are the support facilities at main operating bases for ground-launched cruise missiles (GLCMs) in Europe. We urge

Congress to approve construction of GLCM facilities — e.g., schools, housing, and community support facilities — that will allow accompanied tours and improved quality of life for our people. Unaccompanied tours caused by inadequate support facilities are a strain on our people and increase training requirements with people rotating frequently — a costly way to operate.

FY 85 Budget

We have a formidable task in supporting America's commitments as the leader of free nations and in countering the unparalleled growth in Soviet military power. With the programs and priorities outlined above, we are confident the strong and ready forces we are building will be equal to that task.

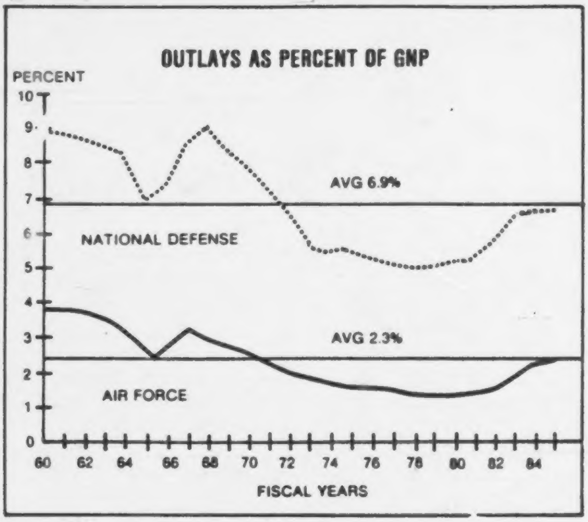


Figure 1

For FY 85, the Air Force requests $108B (which for the first time includes $4.86B for retirement accrual) to ensure our readiness to fight with what we have and modernization to counter the future threat. Even with increased defense funding over the past few years, our Air Force request is about 2.3 percent of America's GNP. Although this figure approaches our 20-year average, it represents only a recent upturn from ten years of inadequate defense spending. During the 1950s and early 1960s, our nation devoted 9 to 11 percent of GNP to defense in peacetime years, significantly more than both the recent low of 5 percent in 1978 and today's 6.8 percent.

With the potential for conflict always present, America must be prepared. We've come a long way in the past few years in restoring the strength of our forces, but we cannot slacken our efforts. The momentum must be sustained.

I. STRATEGIC FORCES

The Soviet strategic buildup during the past decade created doubt about our ability to deter conflict in the future. While the Soviets were rapidly expanding the quantity and quality of their strategic forces, US efforts were characterized by research and development rather than procurement and deployment. Steadily, the strategic balance began to favor the Soviets. We are now, however, in the third year of the President's Strategic Modernization Program, and as a result, we are beginning to redress the imbalance.

Soviet Force Development

The Soviets have been engaged in a determined, steady increase in nuclear and conventional weapons programs over the last two decades — a buildup far in excess of any defense requirement. The steady expansion of these forces is a clear and growing danger to Western security.

Of special interest is the comprehensive nature of the Soviet buildup. They have developed and deployed several more powerful and increasingly accurate strategic systems (three ICBMs, three submarines, two SLBMs, and a long range bomber) since 1974. During the same period, our Navy has deployed only one new type of SLBM and SLBM submarine, and the Air Force has activated three ALCM-equipped B-52 squadrons and upgraded 300 Minuteman III missiles with MK12A re-entry vehicles. Improved Soviet offensive capabilities, upgrades in their defensive missiles, aircraft and supporting equipment, and deployment of more effective and survivable means to command and control their forces are most imposing and give cause for serious concern.

Soviet ICBM improvements are the most threatening. The Soviet ICBM force is comprised of 1,398 launchers carrying almost 6,000 warheads with a throwweight about four times the US ICBM force. That US force now has 1,039 launchers and about 2,150 warheads. Since the mid-1970s, the Soviets have deployed over 750 new SS-17, SS-18 and SS-19 missiles equipped with multiple, independently targetable reentry vehicles. Over 600 of these missiles — SS-18s and SS-19s — have payloads which are larger than our new Peacekeeper missile and can achieve excellent accuracy. They may be able to reload a portion of their ICBM force, permitting them to conduct nuclear war over an extended period. The pace shows no sign of slackening, and the major Soviet design agencies are maintaining rigorous ICBM development programs. They are currently testing two new ICBMs.

These dramatic improvements form one part of a two-edged problem facing our current land based missile force. First, using a small portion of their ICBM force, the Soviets could destroy most of our current ICBMs in a first strike. Second, the Soviets have hardened their ICBM silos, command posts, and other significant military leadership facilities to the point that our current missiles have only limited capability against them.

The Soviet ballistic missile submarine force consists of 62 ballistic missile submarines armed with 950 missiles and over 1500 warheads. The US has 34 submarines and 568 missiles, but about 5000 warheads. Recent Soviet ballistic missile submarine building programs have been vigorous: four times larger than the US production rate. The new Soviet SLBM systems will have improved accuracy, increased throwweight, and better reliability. Their new 20-tube Typhoon submarine — the largest submarine in the world — is operational now and carries the SS-N-20: a solid propellant, MIRVed SLBM. The Soviets continue to build the Delta III submarine, carrying 16 MIRVed SS-N-18 SLBMs. These missiles can strike targets anywhere in the US from waters near the USSR.

The Soviets continue to build 30 Backfire bombers a year while retaining the Bear and Bison bomber forces. They have reinitiated production of the Bear with the latest version being capable of carrying their newest ALCM. While debate continues about its role, we know the Backfire can achieve two-way intercontinental range with refueling. In addition, a new long range bomber, the Blackjack A, will begin to enter service during the mid-to-late 1980s. This bomber should be capable of carrying a variety of payloads, including cruise missiles. Soviet strategic cruise missiles are also under development and will be deployed soon aboard various submarines and long range bombers. Elements of the US bomber force are also being equipped with long range cruise missiles.

Soviet strategic defenses are extensive, consisting of a dense nationwide air defense network designed to counter airbreathing forces and a limited ballistic missile defense capability at Moscow. Both of these defensive capabilities are being modernized. New air defense systems include the SA-10, a surface-to-air missile designed to counter low flying aircraft with some capability against current cruise missiles. Other surface-to-air missile improvements are being made through modifications to existing systems. These include better command and control, increased ability to engage targets, improved mobility, and increased firepower.

Soviet air defense interceptors have been equipped with additional armament and modernized avionics, and newer aircraft have a "look-down, shoot-down" capability. The Soviets are also nearing deployment of a new airborne warning and control system with modern early warning radars and improved data transmission systems. These and other qualitative improvements increase the potential threat to our bomber force.

Finally, the Soviets continue their active ABM research and development program. In the future we may see new phased-array radars, a rapidly deployable ABM system with both short- and mid-range interceptors, and possible application of high energy laser and charged particle beam weapons. These Soviet developments could challenge the strength of our nuclear deterrent and we will face significant strategic inferiority unless we continue with the President's plan for modernizing and strengthening our strategic forces.

President's Strategic Modernization Plan

Both friends and foes must know that we are determined to maintain a credible deterrent force. We are in the third year of the President's strategic modernization plan. The Air Force is responsible for the following elements of this comprehensive program:

- improving the survivability and performance of our command, control, and communications systems to ensure we can obtain warning and assessment of an enemy attack and communicate with our strategic forces;

- modernizing our aging strategic bomber force by deploying 100 B-1B bombers and procuring ALCMs, while also vigorously developing the Advanced Technology Bomber (ATB);

- improving the effectiveness of our ICBM forces by deploying the Peacekeeper and developing a small, single-warhead ICBM, while continuing work on mobile basing schemes as well as silo hardening and deep basing technologies;

- upgrading the nation's defense against bomber and cruise missile attack by replacing our aging F-106 interceptors with more capable inteceptors, improving our atmospheric warning and surveillance with the E-3A Airborne Warning and Control System (AWACS) aircraft, and deploying modern long range radars.

By 1990 we will significantly improve our ability to destroy hardened Soviet targets with our ICBMs and will have greatly increased our ability to penetrate Soviet defenses with our bomber forces. We will also enhance our capability to communicate with our forces during and after an attack.

We anticipate spending less than 15 percent of the annual defense budget on strategic forces over the next five years. (In the early 1960s, when we built many of the existing nuclear forces, the US spent over 20 percent of the defense budget on strategic programs.) These improvements will significantly strengthen nuclear deterrence and provide a sound basis to negotiate equitable strategic arms reductions.

Arms Reduction

Arms reduction negotiations are an integral part of our efforts to reduce the risk of nuclear war. Successful arms reductions depend on our ability to deal from a position of strength: a position that can be maintained only by modernizing all legs of our triad. Strength will allow us to seek the genuine reductions in nuclear arms that increase stability and contribute to deterrence.

At reduced levels of nuclear forces, force modernization is necessary to ensure the security and stability of our deterrent posture. To accept lower levels without force modernization would place us at a significant disadvantage because the Soviets have, on the average, much newer systems than we do.

Effective arms control requires a substantial reduction, not a freeze, in the arsenals of both sides to a verifiable, equivalent level. While a "freeze" reflects a desire to reduce the threat of nuclear war, it would accomplish the opposite by "locking in" existing nuclear inequalities while making further arms control more difficult. It would leave us in a position of military disadvantage, prevent us from fixing force deficiencies, and preserve Soviet advantages.

Strategic Triad

Our triad of ICBMs, bombers, and submarine-launched ballistic missiles provides the flexibility and capability to prevent a disarming first strike and complicates Soviet attempts to defend against a mixed retaliatory force. The triad deters because it ensures that our forces can survive a first strike and launch a credible counterattack. It also allows maximum flexibility in employing our forces and provides a hedge against failure of any one leg. This deterrent capability has served us well over the past 25 years and will continue to serve us in the future if we modernize and maintain the strength of each leg.

Land Based Missiles

ICBMs are an essential element of our strategic triad and have unique features not found in bombers or SLBMs. These qualities include high alert rates; high system reliability; redundant and high confidence command, control, and communications; highly responsive targeting flexibility; and low operating cost. More important, ICBMs provide excellent accuracy and prompt hard target kill capability.

To ensure deterrence, we must be able to threaten and destroy high value Soviet targets, such as hardened ICBM silos and command facilities. Since the Soviets now have the capability to destroy most of our current missile force in a first strike, and our Minuteman has only limited capability against their hardened ICBM silos and command and control facilities, we must upgrade the capability of our ICBM force.

ICBM Modernization. To ensure that a Soviet first strike against our land based ballistic missiles would not prevent us from retaliating effectively, we need missiles that are more survivable and capable against Soviet hard targets. To address these needs, the US has embarked on an ICBM modernization program reflecting the findings of the President's Commission on Strategic Forces. Following a three-month evaluation of US strategic policy and force modernization requirements, this Commission concluded the triad must be modernized. Specific Commission recommendations include developing a new, single-warhead ICBM; deploying 100 Peacekeeper missiles in existing Minuteman silos near Francis E. Warren AFB, Wyoming; developing mobile, hardening, and deep basing technologies; and improving command, control, and communications for US strategic forces.

Deploying Peacekeeper will demonstrate our resolve to modernize and redress the current imbalance in hard-target capability. The small missile will create a more stable environment by moving away from large MIRVed missiles and toward more survivable basing modes.

Small Single-Warhead Missile. At present the small missile program is focused principally on the hardened mobile deployment option. We are continuing to assess the feasibility of this deployment mode to include the operational manning required to support a mobile nuclear system. We have begun an extensive test program to explore the technical uncertainties associated with hard mobile launchers. We also are investigating the technologies needed to support design of the small lightweight missile and are continuing to look at other basing options to hedge the risk of the hard mobile concept. A Small Missile Independent Advisory Group was established in July 1983 to provide recommendations on the acquisition strategy and management approach for the small missile program. The Advisory Group, chaired by retired Air Force General Bernard A. Schriever, recommended a number of parallel development efforts, with a narrowing of competitive alternatives as we proceed. These recommendations, closely aligned with traditional ICBM developments, were adopted in large measure for the small ICBM program.

A number of procurement actions have already occurred in the small missile program. Contracts for small missile system definition, missile technologies, and basing technologies are being awarded in FY 84 to support a full scale development start in late 1986 or early 1987.

The Air Force is managing this program as a matter of high national priority. We have assigned the highest defense and industrial priorities to avoid supply delays, and are streamlining management channels to avoid administrative delays. We have also established a major program office for the small ICBM at the Ballistic Missile Office at Norton AFB, California. The number of people working in this office will double this year and we plan to have a general officer head this program by mid-year.

Peacekeeper. The Peacekeeper is a four-stage ICBM carrying ten independently targetable warheads and will have much greater targeting flexibility than the present Minuteman system. Its greater resistance to nuclear effects and its advanced guidance system provide a better capability to destroy the most highly valued Soviet targets, thereby improving deterrence. The missile is in full scale development and was flight tested in June, October, and December of 1983. Full scale development began in June 1983, and a Final Environmental Impact Statement was filed on January 30, 1984. We will start production soon with first delivery in May 1986. An initial operational capability (IOC) of 10 missiles will be achieved in December 1986.

Minuteman. The current Minuteman force is composed of 450 Minuteman IIs and 550 Minuteman IIIs. Our FY 85 request for $700.7M provides for continued operational support of the deployed force with limited improvements in the missiles' reliability, accuracy, and endurance.

The aging Minuteman force requires an increased commitment of resources for continued reliability. Minuteman originally had a design life of seven years. It has now passed its twentieth year of operation, and under present planning will remain a key element of the US strategic deterrent posture for the foreseeable future. We are working to support the missile overhauls and silo refurbishment needed to extend the Minuteman system's useful life. The program consists of correcting normal problems like age-related degradations of stage two and three motors on both Minuteman II and III. The FY 85 budget request includes funding to improve logistics support and accuracy of Minuteman II.

Titan. Titan II, our oldest ICBM, is being phased out. The retirement program will be completed in 1987 and reflects a prudent drawdown consistent with safety and logistical constraints. Further, it allows those missiles on alert during the phase-out period to continue to contribute to our deterrent posture. During the past two years, the Air Force made numerous improvements to allow us to operate the system safely until phase-out.

In keeping with the President's policy not to undercut existing arms control agreements, we will dismantle the deactivated silos so they can be deleted as accountable launchers under the SALT I Protocols. The dismantling program increases our authorized number of SLBM launchers from 656 to 710 and enables us to remain within those limits as Trident deployment continues. The FY 85 request includes $69.7M for system operation and deactivation and $10.3M for silo dismantling.

Technologies for Advanced Strategic Missile Systems We are exploring advanced technologies in missiles, reentry vehicles, basing subsystems, and penetration aids. We will be prepared to upgrade our missile force quickly, if necessary, to counter Soviet advances. The FY 85 request of $108.4M will be used to develop a ballistic missile defense penetration system for Peacekeeper and Minuteman and explore other technologies related to future ICBM improvements.

Bombers

The bomber is the most flexible element of the triad. It can be launched and controlled before a decision to use nuclear weapons. Once launched, it can be redirected, assess the attack, and be reconstituted for follow-on missions. Bombers can also be launched to ensure their survivability or to signal national resolve during time of crisis.

Bombers carry a large number of weapons and can cover widely separated targets. They can engage alternate targets by using the crew and aircraft sensors to determine target location. As reuseable weapon systems, long range combat aircraft can deliver large nuclear or conventional payloads accurately throughout the spectrum of conflict.

In maritime roles, bombers with short response time can accomplish long range sea surveillance, ship attack, and minelaying.

Our bomber modernization program is designed to counter Soviet defense improvements, overcome limitations imposed by the advanced age of the B-52, and control increasing maintenance costs. Additionally the B-52s are not fully hardened against nuclear effects and are relatively slow in escaping from their bases. Their large radar signature and relatively slow speed at low altitude seriously degrade their ability to penetrate Soviet defenses.

Attempting to maintain the B-52 as a penetrator past the late 1980s is not plausible and would require expensive modifications. While the B-52 has valuable conventional and cruise missile carrier capabilities, a new penetrating bomber is essential.

The bomber modernization plan calls for production of 100 B-1Bs to increase near-term capability, conversion of B-52Gs and Hs to cruise missile carriers and conventional roles to maintain their usefulness over the long term, and development of an ATB to meet the challenge of the future. This plan also included the retirement of the less capable B-52D, the last of which left our inventory on September 30, 1983. Our plans to revitalize our bomber forces are consistent with recommendations of the President's Commission on Strategic Forces.

B-52. The B-52Hs and a majority of B-52Gs will be converted to cruise missile carriers. With all B-52Ds now retired, those B-52Gs not converted to carry cruise missiles will assume the B-52D's conventional role. As the penetration capability of B-52s declines during this decade, the B-52 strategic role will become a shoot-and-penetrate mission and finally evolve to a pure stand-off delivery role.

The B-52G also achieved a limited operational capability in October 1983 to support naval anti-surface warfare operations. Eventually we will have 30 B-52 aircraft equipped to support this mission. Currently, modified aircraft are located at Loring AFB, Maine, for Atlantic operations. As aircraft are modified, a number of Harpoon-capable B-52Gs also will be based at Andersen AFB, Guam, for Pacific operations.

B-1B. We are confident the B-1B will be able to penetrate the projected Soviet air defense network well into the 1990s. This ability comes from a combination of low altitude penetration tactics, speed, improved electronic countermeasures, and a significantly reduced radar cross-section.

The B-1B will perform as a conventional bomber and cruise missile carrier as well as deliver nuclear weapons. Therefore, as the B-52 nears the end of its service life and the ATB enters the force, we will use the B-1B to maintain our conventional and cruise missile capability well into the next century.

The B-1B program is ahead of schedule and within cost. We are committed to producing 100 B-1Bs and initial spare parts within the Presidentially certified program cost of $20.5B in constant 1981 dollars. The FY 85 request of $8.2B includes funding for the multiyear procurement of B-1Bs 19 through 52, initial spares, and the FY 85 portion of full scale development.

As part of the B-1B program, flight test activities on B-1As include verifying the redesign, fabrication, subsystem integration, and weapons separation, as well as offensive and defensive avionics testing and evaluation. Full scale development activities include engineering, fabrication, pyrotechnic changeout and avionics modification, and assembly of the first B-1B. The B-1B flight test program will begin in early FY 85 and will emphasize flight test and cruise missile integration activities. Significant events include nuclear certification, weapons delivery testing, and terrain following/avoidance verification. The first B-1B operating base at Dyess AFB, Texas, will be activated in FY 85.

ATB. The Advanced Technology Bomber will extend the essential advantages of manned bomber weapons delivery into the twenty-first century. We have selected the prime contractor and key members of the ATB development team — program start-up is progressing smoothly. While most details of this program are highly classified, the essential point is that the ATB will be developed using low observable techniques to negate present and projected Soviet air defenses. The technologies involved are exciting and promising, even though they are still in the early developmental stages and represent a technological advance with extraordinary military significance. In the 1990s, a combined force of B-1Bs, ATBs, B-52s, and cruise missiles will place maximum stress on Soviet air defenses and provide the United States with a significant and resilient deterrent capability.

FB-111A. The FB-111A is a key element of our strategic forces. It can provide accurate, low altitude weapons delivery at night and in poor weather. Although it is now assigned a nuclear mission, the FB-111A's conventional weapons capability matches that of the F-111s assigned to our tactical forces. Given the dual capabilities of the FB-111A, we will consider transferring these aircraft to the tactical forces as the ATB deployment draws closer. We plan to use the F/FB-111 force throughout and possibly beyond the 1990s.

Whether the FB-111s remain in the strategic forces or move to tactical forces, they must be modernized to be reliable, economical assets. Since all five models in the F/FB-111 family are similar in design, many modifications could be common to the entire fleet. The FY 85 budget requests $206M for several Class IV modifications. Avionics modernization, engine work, and escape capsule modification are included in this program. We also need funds for avionics intermediate shops to replace the current unreliable and costly test stations. The avionics modernization program (AMP) and the avionics intermediate shop program will significantly expand the capabilities of the F/FB-111 force.

Air Launched Cruise Missile (AGM-86B) (ALCM). The cruise missile is an effective weapon for attacking preplanned, fixed strategic targets. An accurate and survivable long range weapon, the cruise missile increases bomber targeting and routing flexibility — reducing the exposure of our bombers to present and projected air defense threats. B-52Gs equipped with 12 external ALCMs achieved initial operational capability in December of 1982. We now have three operational squadrons equipped with cruise missiles.

We will continue our follow-on testing of ALCM over operationally realistic terrain. Since the December 1982 IOC milestone, the ALCM has completed twelve flight tests: nine successes and three partial successes. We have also selected a contractor for the second generation ACM (the Advanced Cruise Missile). Our objective remains to improve the survivability, range, and accuracy of the ALCM to respond to the projected Soviet threat. The $80.9M requested in FY 85 is planned for ALCM support equipment.

Advanced Air-to-Surface Missile (AASM). We need to supplement and eventually replace the aging Short Range Attack Missile (SRAM). We must have more modern warhead safety and we can improve performance with relatively low technological risk.

Our AASM acquisition strategy emphasizes competition and the maximum use of state-of-the-art technologies. We will incorporate advances in low observable technology, navigation systems, propulsion efficiency, and system accuracy. AASM will make the penetrating bomber more flexible by providing a single weapon capable of striking a larger variety of targets. The FY 85 budget request includes $55M for this program.

Command, Control, Communications (C^3)

Effective deterrence requires a C^3 system that enables the National Command Authorities (NCA) to monitor and communicate reliably with the strategic forces.

Rapid communication among warning sensors, the NCA, and commanders of nuclear forces is vital to the survival and employment of strategic forces. Our command, control, and communications systems should provide high confidence, unambiguous, timely warning and attack assessment information to the NCA. Upgrading our C^3 systems is one of the highest priorities of our strategic modernization program.

Technology has enabled us to understand the disruptive effects of nuclear weapons, whether from a groundburst or an airburst, including a high altitude detonation against our command, control, communications systems. Our present landline, radio, and satellite systems could be seriously disrupted during and after a nuclear attack. The Air Force has electromagnetic pulse (EMP) design criteria that it has used for several years in developing protected C^3 systems. Capabilities being developed such as the Ground Wave Emergency Net and the MILSTAR satellite system will provide EMP-protected means to alert and activate our nuclear retaliatory forces.

The Air Force is the DoD Executive Agent for the development/acquisition of the MILSTAR Satellite Communications System. MILSTAR, when deployed, will provide the most survivable and enduring worldwide C^3 system yet deployed by the US. It will provide communications for strategic and tactical users in all the services.

The Air Force is upgrading its worldwide high frequency (HF) radio stations with equipment to provide improved coverage. New state-of-the-art HF equipment will replace present airborne HF radios, permitting a building block approach for future improvements. In addition, the E-4B National Emergency Airborne Command Post is currently being upgraded to provide significant improvements in capability, survivability, and reliability for the NCA to command and control our strategic forces in the pre-, trans-, and post-attack phases of a general nuclear war.

Strategic Defense

Our strategic defenses provide timely warning and assessment of enemy missile or bomber attack and defend against Soviet bomber and cruise missile strikes. We need timely, reliable warning to retaliate effectively and appropriately. Space based systems provide an important contribution to strategic defense and are covered in Chapter V, Space. Atmospheric defenses are necessary to limit damage inflicted by bomber and cruise missile strikes.

Atmospheric Defense. Over the past 20 years, the US has significantly reduced forces assigned to atmospheric defense. At one time, we had 2,600 interceptors; today we have only 264. We must continue to replace aging systems and improve our defense capability. Most pressing is the need to upgrade surveillance systems providing warning to support offensive force survival, intercept operations, and damage limiting responses. Under the best of conditions, our current system has serious deficiencies in providing required warning to the NCA.

Atmospheric defense of North America has long been a cooperative Canadian-US effort, and surveillance and warning systems are configured to control access to North American airspace. At present, the surveillance system is composed of ground-based radars in the Distant Early Warning (DEW) line, the CADIN-Pinetree system in southern Canada, and the Joint Surveillance System (Federal Aviation Administration and military joint use radars in Alaska and the continental United States). During periods of crises the E-3A AWACs augments these systems for surveillance and airborne command and control of fighter interceptor forces

Fighter interceptor aircraft assigned to atmospheric defense missions include F-106s, F-4s, and F-15s. The Air National Guard currently mans ten of our 15 air defense squadrons.

The North American Air Defense Master Plan addresses requirements and force structures needed to provide tactical warning, attack assessment, damage limiting response, and airspace control. To meet northern surveillance requirements, we will replace obsolescent DEW line radars with a mix of 52 minimally attended and unattended radars. This upgrade will improve radar performance and low altitude coverage, and reduce operating costs.

To extend coastal surveillance coverage beyond the limit of the Joint Surveillance System radar, we will deploy long range Over-the-Horizon Backscatter (OTH-B) radars on the East and West Coasts. A southern-looking OTH-B will complete wide-area surveillance in defense of the North American continent. These radars will provide all-altitude coverage and early warning of hostile intruders to a range of approximately 1800 miles. Funding for OTH-B and the improved DEW line in FY 85 is $316.3M and $124.4M, respectively. To provide survivable command and control in wartime, AWACS aircraft are available to NORAD and we may procure additional AWACS for North American air defense in the future.

We will modernize the active air defense fighter force by completing the programmed replacement of aging F-106 fighters with F-15s. The F-15 has a long range, large volume search radar and a look-down, shoot-down capability to complement the wide-area surveillance system. In the future, ANG F-106 and F-4 air defense squadrons will be modernized as more capable interceptors become available. The FY 85 budget request of $121.9M is for military construction, O&M, and spare parts procurement associated with deployment of air defense F-15s in our active forces.

Tactical Warning and Attack Assessment The credibility of our policy of nuclear deterrence is critically dependent on our ability to provide clear, timely, reliable, and survivable tactical warning and assessment of an enemy missile attack.

Ballistic missile attack warning and assessment is provided by space based systems; three Ballistic Missile Early Warning System (BMEWS) sites; the Perimeter Acquisition Radar Attack Characterization System radar near Grand Forks AFB, North Dakota; the Eglin AFB, Florida AN/FPS-85 radar; the MacDill AFB, Florida SLBM radar (AN/FSS-7);

and two PAVE PAWS SLBM phased-array warning and detection radars located on the East Coast at Otis ANGB, Massachusetts, and on the West Coast at Beale AFB, California. Also included in this system are command center processing systems within the NORAD Cheyenne Mountain Complex in Colorado Springs, Colorado; the Strategic Air Command (SAC) Command Post in Omaha, Nebraska; the National Military Command Center in Washington, DC; and the Alternate Military Command Center near Fort Ritchie, Maryland.

Besides upgrading several of these systems, we are improving satellite data survivability by adding more survivable ground stations. The Air Force is also pursuing the Advanced Warning System (AWS), a survivable missile warning detection system, as a potential replacement for the existing vulnerable missile warning system. In addition, we are replacing the aging Missile Impact Predictor computers at the BMEWS sites at Clear, Alaska; Thule, Greenland; and Fylingdales, England. We also have initiated a contract for a new phased-array radar at the Thule BMEWS site that will permit tracking more objects with considerably more accurate impact prediction.

We have also contracted for two additional PAVE PAWS phased-array radar sites at Robins AFB, Georgia and Goodfellow AFB, Texas. Completing these new PAVE PAWS sites will substantially improve SLBM tactical warning capability and allow us to close two older, less capable, and more expensive-to-maintain radar systems.

Major computer replacement programs for the NORAD Cheyenne Mountain Complex remain on schedule. We have awarded contracts for the competitive design phase of the Communications System Segment Replacement program and plan to award acquisition contracts in July, 1984. Replacing NORAD Cheyenne Mountain Complex computer systems will significantly contribute to the reliability of our missile warning systems.

Strategic Defense Initiative. We are deeply involved in supporting the President's defensive technologies initiative announced in his March 23, 1983 speech. The President would like "to decrease our reliance on the threat of retaliation by offensive nuclear weapons and to increase the contribution of defensive systems to our security and that of our allies." The recently begun Strategic Defense Initiative (SDI) is a technology development and demonstration effort that will provide a basis upon which a future decision to deploy strategic defenses can be made.

The SDI program cuts across many technology programs to include: surveillance, target acquisition and tracking, directed energy weapons, kinetic energy weapons, battle management programs, survivability, lethality, and target hardening as well as selected support systems development. The technology development effort will be guided by the findings and recommendations of the Defensive Technologies (Fletcher) Study completed last year. Technology development will continue through the 1980s and will feature the demonstration of select, key technologies. Full scale engineering could begin in the early 1990s, followed by deployment around 2000. The SDI will also provide the US flexibility to respond to potential Soviet strategic defense developments. While the SDI focuses primarily on the ballistic missile threat, we are also examining requirements to counter the bomber and cruise missile threats. The development and deployment of strategic defenses could significantly improve deterrence and stability for both the US and our allies.

Space Surveillance and Defense. Space based systems provide an important contribution to strategic defense. Existing ground based systems, including SPACETRACK electro-optical sensors and radars, are being upgraded to provide more timely and accurate data. At the same time, we are pursuing new systems to improve our surveillance capabilities. We have completed the Space Surveillance Architecture Study to guide acquisition decisions through the turn of the century.

Anti-Satellite (ASAT). The Air Force is developing an ASAT system that will be able to negate Soviet space systems that threaten US or allied sea, land, and aerospace forces and deter Soviet first use of their ASAT capability. The Air Force ASAT will be a missile launched from a modified F-15. Supporting C^3 and surveillance capabilities are critical to ASAT operations and also are being developed and improved. In FY 85, we are requesting $143M for ASAT development and testing.

II. READINESS AND SUSTAINABILITY

Our forces must be ready for war at any time. Peacetime readiness strengthens deterrence and is critical to a successful response should war come. Readiness is the capability of forces, units, weapons systems, or equipment to accomplish their assigned mission. It is achieved through realistic operational training, maintaining the elements of the force at a high proficiency level, and ensuring each unit has enough spare parts and people to begin combat.

We need to provide for wartime sustainability in advance. We can neither foretell when a conflict will come nor how long it will last. Sustainability, often expressed in days, is the ability of our forces to fight during and beyond the initial period of combat. Sustainability is having enough spares, supplies, munitions, and fuel. Our forces need the proper mix of well-maintained, capable equipment as well as trained, dedicated people. They should be supported by adequate repair facilities, spare parts, and stocks of effective munitions from the beginning to the successful termination of hostilities.

Low defense spending in the mid-to-late 1970s resulted in a deteriorated physical plant, cutbacks in combat crew training, and large backlogs of equipment and facility maintenance. The recent emphasis on improved near-term readiness and combat capability has gone a long way toward solving these deficiencies; however, we need to continue this emphasis.

In the FY 85 budget submission, we have continued to place a high priority on improving the combat readiness as well as the staying power of our forces. Our FY 85 funding will enable us to increase spare parts stocks and equipment inventories for our mobility and tactical forces toward required readiness levels and improve our inventory of modern munitions, but not reduce the backlog in base facility maintenance. We will also increase operational flying hours and train more effectively.

The Air Force has made progress in improving the quality and realism of operational training programs. Initiatives such as Red Flag and Dissimilar Air Combat Training continue to increase the readiness of our operational crews. Major exercises and numerous deployments of active, Guard, and Reserve units to wartime operating bases have given operations and maintenance people realistic experience in the environment in which they might fight. This improved training, additional flying hours, and more experience produced our most accident-free year ever. In 1983, our accident rate was 1.73, down from the previous record of 2.33 major mishaps per 100,000 flying hours in 1982. The flying safety record shows the effects on combat forces when readiness initiatives such as increased flying hours, spare parts, and realistic training are sufficiently funded.

Operation and Maintenance (O&M) Funds

Operation and maintenance (O&M) dollars translate our investments in weapons systems, people, and facilities into combat capability. Hardware bought with procurement funds is operated and maintained with O&M funds. Facilities built with military construction funds are also supported and maintained with O&M funds. Depot maintenance is an O&M activity that repairs broken components of our weapons systems and is the prime source of serviceable spares. O&M also funds civilian work force pay and buys the training our people need to operate and maintain equipment and facilities (Chapter VI covers the installations portion of O&M).

The O&M share of the FY 85 budget is $23B. O&M funds are divided among the activities in the approximate percentages shown in Figure 2.

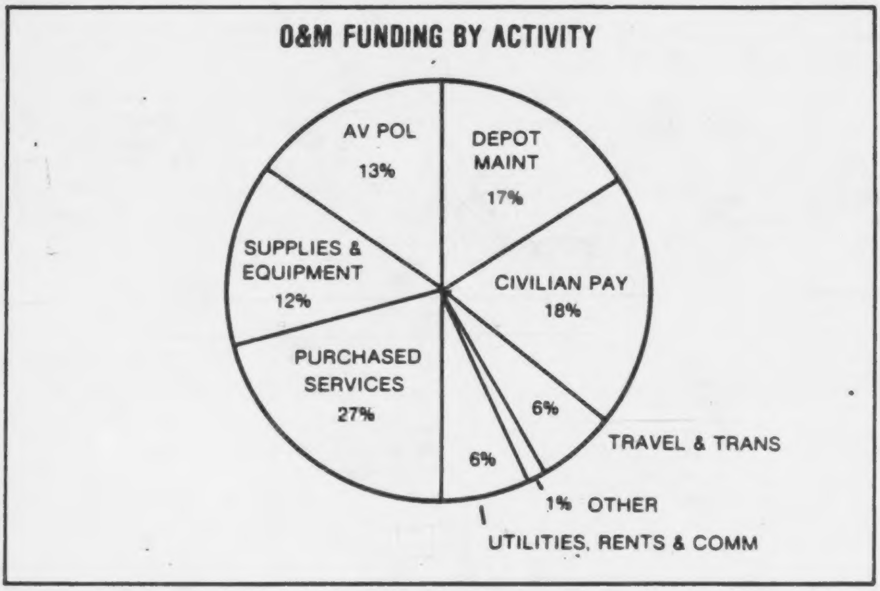


Figure 2

Logistics

In the readiness and sustainability equation, logistics consists of support equipment, spare parts, munitions and fuels, as well as a capable maintenance infrastructure needed at the outbreak of hostilities to sustain our combat forces until the industrial base can be mobilized. Our logistics objectives reflect preparedness for a prolonged conventional conflict and the need for sufficient war reserves to stay and win. The three major components of logistics sustainability are aircraft replenishment spares (including stock fund repair parts), munitions, and aviation fuel.

Spares Management. Peacetime readiness and wartime sustainability require adequate funding of the three categories of replenishment spares: Peacetime Operating Stocks (POS), War Readiness Spares Kits/Base Level Self-Sufficiency Spares (WRSK/BLSS), and Other War Reserve Materiel (OWRM). The POS spares support peacetime training and form the basic level to which we add stocks needed to support deployments and combat operations. WRSK/BLSS spares support initial wartime surge while OWRM spares provide wartime sustainability until our mobilized industrial production can satisfy wartime requirements.

Aircraft spares requirements and funding requests have increased significantly over the last few years; however, these trends are justifiable. They are the result of erosion of the industrial base after Vietnam, spares requirements in support of new weapons systems (F-15, F-16 and A-10), and a restoration of the flying hour program. Other causes include the age of the weapon systems (most aircraft in the USAF inventory are in the high cost development or wearout stages of the life cycle), efforts to fund a higher percent of the total requirement, and economic factors such as inflation. Our FY 85 budget significantly improves readiness and sustainability with $4.3B requested for aircraft replenishment spares.

Extensive media coverage about "horror stories" of overpriced spare parts highlighted public concern over unwise Air Force buying methods. Frankly, we didn't like the horror stories either and set out to improve business practices. It is important to note that nearly every instance highlighted by the media was uncovered by Air Force people as we diligently worked to unearth and correct all instances of overpricing.

An Air Force Management Analysis Group (AFMAG) was formed to study the problem. Its 178 long- and short-term recommendations are being implemented now. We have beefed up some successful existing programs such as Zero Overpricing and Competition Advocacy and have begun to screen spare parts for price reasonableness. We are creating a permanent system of checks and balances to guard against future problems.

For example, we have revised our civilian official General Manager Appraisal System (GMAS) and Job Performance Appraisal System (JPAS) work plans to include specific performance elements and standards pertaining to the position's competitive bidding responsibilities. We are pursuing these reforms; however, full implementation will take several years and will include many complex, time-phased changes.

FY 83 marked the first time aircraft replenishment spares funds were allocated to AFLC by weapon system. This change means that aircraft will receive more balanced support from the five Air Logistics Centers (ALCs). For example, F-15 landing gear components managed at Ogden ALC will be supported at the same level as F-15 avionics components managed at Warner-Robins ALC.

In the future, AFLC will compute spares requirements against aircraft availability goals. New systems will enable the Air Force to program, fund, and spend spares monies to meet aircraft readiness. We will not have to use DoD inventory fill rate objectives, but will be able to size spare part inventories against parts normally missing from aircraft — a great improvement in aircraft readiness.

Stock Fund. The stock fund contributes to Air Force readiness and sustainability by providing consumable repair parts to maintain our weapon systems, equipment, and facilities — and other consumable items such as fuel, medical supplies, and rations. The FY 85 budget request funds prepositioned War Reserve Materiel including aviation fuel. Additional requirements also have been included in the FY 85 budget for peacetime inventory to support significant increases in force structure and activity levels. These increases comply with congressional direction to seek direct appropriations for building peacetime inventory to support force modernization rather than financing inventory augmentation requirements through the stock fund pricing mechanism.

The European Distribution System (EDS). EDS is a logistics system that will provide dedicated wartime and peacetime distribution of critical fighter aircraft spares, including engines, in Europe. By responsively distributing available spares, the program will provide the equivalent of 304 additional fighters (600-800 combat missions daily) in a European war. Without EDS, these aircraft would be grounded because of lack of spare parts in the theater. The loss of these fighter aircraft would seriously degrade the Air Force's capability to meet NATO wartime commitments. EDS is complementary to existing and planned logistics and aircraft systems.

The system consists of three elements: logistics command, control, and communications (Log C^3) for distribution decisions; three small warehouses to store selected forward wholesale assets; and an assured airlift element consisting of 18 small, cargo aircraft dedicated to the timely movement of critical assets. Congress appropriated funds in FY 83 for the first two aircraft and Log C^3. FY 84 funds, $61.4M, are for the remaining 16 aircraft, the warehouses for forward stockage, and to operate EDS (personnel, O&M, vehicles, etc.). In FY 85 we are requesting $22M for EDS operations and $1M for a warehouse.

Munitions. Over the past decade our research and development efforts have yielded new generations of more effective munitions. These modern munitions increase the effectiveness of each wartime sortie by destroying more targets per pass while reducing aircraft and crew losses. Today, our weapons stockpile still contains a large percentage of older, less capable munitions. This year's budget request and our program will bring many newer weapons into the inventory.

Buying these new munitions will help us achieve and maintain superiority and efficiently carry out our wartime plans. To do so, we need to engage and destroy enemy air and ground forces in the combat zone and at their support bases. Our budget requests money to improve our stock of both air-to-air and air-to-surface munitions. These programs are covered in more detail in Chapter IV, Theater Forces.

Aviation Fuel. The FY 85 program fully funds fuel for our peacetime flying hour program. We are requesting $2.9B in FY 85 to meet our aviation fuel requirements. In 1982, the Air Force gained responsibility for funding War Reserve Materiel (WRM) aviation fuel at base level; however, the Defense Logistics Agency (DLA) remained responsible for funding wholesale WRM stocks for all Services.

Flying Hour Program. The Air Force Flying Hour Program is designed to meet aircrew requirements for a responsive and ready force. The training and readiness of aircrew members is the core of the Air Force mission. Of particular significance in the last three years is the growth we have planned in the tactical fighter program. Starting in the early 1980s, we have increased flying hours each year aiming toward full requirements. The majority of the fighter systems will approach full capability in FY 86. For FY 85, we request full funding of 3.52M flying hours to avoid an adverse impact on aircrew readiness.

Integrity and Management Improvement Program

In support of the Administration's efforts to improve defense industry productivity and economies and efficiencies, the Air Force is working on several initiatives under our Integrity and Management Improvement Program. An umbrella program for many existing oversight, cost awareness, and incentive programs, it will add new management emphasis for efficiencies at all levels of the Air Force. The program goal is to produce the most effective, combat-ready force possible.

Fraud, Waste, and Abuse (FW&A). The purpose of the Air Force FW&A program is to eliminate the diversion of funds and resources from defense to illegal, unauthorized or wasteful purposes. The Air Force policy on FW&A is to use all available means to prevent, detect, correct, and discipline (as warranted) anyone involved in FW&A activities. The primary elements of our FW&A prevention and detection program are audits, inspections, investigations, and security.

The Inspector General (TIG) is the focal point for preventing FW&A in the Air Force. Major command and separate operating agency Inspectors General have offices within their organizations to administer the FW&A programs. The Air Force also has established telephone hotlines to allow people to report suspected instances of FW&A, or they may mail their allegations to Air Force focal points. While detection and prosecution restrain fraudulent, wasteful, or abusive practices, the focus is primarily on prevention.

The Air Force has a solid, ongoing FW&A program. During FY 83 we performed 1938 audits, 1298 inspections, and AFOSI conducted 2449 fraud-related investigations. During this same period, the Air Force hotline received 338 disclosures and the DoD hotline referred 312 allegations to the Air Force. Also in FY 83, major commands and separate operating agencies (MAJCOMs/SOAs) and the Air Force Inspection and Safety Center reported 902 FW&A conference periods and handled 150 disclosures.

We revised Air Force Regulation 123-2, "Air Force Fraud, Waste, and Abuse Prevention and Detection," to accommodate DoD hotline reporting requirements as well as to expand the FW&A reporting system. The Air Force Audit, Inspection, and Investigation Council (AFAIIC) is planning new initiatives, including an expanded and updated version of the Indicators Handbook, last published in January 1982.

We have included an FW&A special interest item in all MAJCOM/SOA and direct reporting unit inspection programs. Its purpose is to ensure that field activities are aware of the necessity for an active and effective FW&A prevention and detection program.

Acquisition Initiatives. As part of the overall DoD program to improve the weapon systems acquisition process, we have under way several initiatives that are producing significant savings in new weapon systems.

Program Stability. To make major programs more stable, we are increasing scrutiny of new start affordability, developing multiyear procurement candidates, and terminating lower priority programs rather than stretching them out. A major accomplishment, the Baseline Cost Cap Management concept uses baselines as reference points formally agreed to by all participating commands and the Air Staff. Under this concept, participants manage a program within the constraints of its defined baseline and adhere to a set of disciplined change control procedures. The aim is to improve and control acquisition costs.

Multiyear Procurement. Total estimated savings resulting from multiyear procurements (MYPs) negotiated to date are over $1.2B. Items being procured range from NAVSTAR GPS and KC-10 aircraft to camera sets and arresting systems. Except for the B-1B, Congress did not approve any of our MYP programs contained in the FY 84 President's Budget. We have submitted for approval an FY 85 MYP request for production of the Defense Satellite Communications System (DSCS III) satellite and the F-16 aircraft and simulator programs. These three MYP candidates have estimated savings of $176M, $227M, and $16M respectively.

Economic (Stable) Production Rates. Funding constraints require us to program lower than optimum production rates on some programs. For example, we reduced F-15 procurement to obtain an increase in total F-15 and F-16 procurement at a lower net cost. The FY 85-89 production of F-16s will be increased by 174 aircraft and F-15 production will decrease by 84 aircraft. Net increase of 90 aircraft will cost $880M less.

Realistic Budgeting. The Air Force is budgeting for inflation using DoD approved rates. We are using the AFSC RISK model to estimate costs associated with uncertainty in R&D and production so that we can budget properly for technological risk. To budget the most likely cost, we have also increased the number and frequency of independent Cost Analyses (ICAs) performed on major programs. In 1983, we completed 16 ICAs.

Improved Readiness and Support. We have revised many regulations and manuals to incorporate new support and readiness guidance. Organizational changes, especially in AFSC and AFLC, focus attention on supportability and readiness. Multi-command Advanced Concept Supportability teams are providing logistics support in the early phases of programs. We are developing contractor incentive techniques to improve reliability and support. Early program planning and budgeting are now required to ensure that adequate hardware is available for efficient testing and evaluation. We are developing procedures to expand the program manager's control over logistics and support funds. We also are promoting the development of technologies with high logistics payoffs and positive returns on investment.

Encouraging Competition. We are enlarging and strengthening our competition advocate program. One approach is encouraging the use of dual sourcing techniques, where appropriate, to get more competition in system production and follow-on contracts. For example, a second contractor is being introduced as a "follower" during full scale development in the Advanced Medium Range Air-to-Air Missile (AMRAAM) program and we have qualified a second contractor as a "follower" on the imaging-infrared (IIR) Maverick program to permit competitive acquisition during the production stage. This competitive procurement of major system components has reduced total acquisition costs.

To address problems of high prices and the lack of competition in spare parts buys, we created an Air Force Management Analysis Group and are working to execute this group's recommendations. We are devoting significant resources to increase the use of competitive contracting methods in Air Force acquisitions, and we have established challenging competition goals for each major command. However, we spent 49 percent of our contract dollars in FY 83 for the follow-on production of major weapon systems (B-1B, Peacekeeper, NAVSTAR GPS, F-16, F-15, and others), nearly all of which competed during initial acquisition and cannot feasibly be recompeted each year. Therefore, near term competition performance may not increase significantly; however, the Air Force remains committed to using the pressure of the competitive marketplace to control costs.

Defense Industrial Base. Defense industrial base productivity, responsiveness, preparedness, and ability to mobilize are critical to the Air Force mission. However, the number of defense industries that produce and replenish our war-fighting systems and consumables has diminished significantly over the past two decades. The impact of this smaller industrial base on the Air Force mission and our combat capability is considerable. High costs of hardware limit the size of an affordable force. The ability of the industrial base to surge in response to an emergency is questionable, and today's defense industrial base lacks the ability to sustain wartime production rates.

We recognized this deterioration and have maintained and improved our 18 government-owned and contractor-operated (GOCO) facilities and modernized our industrial capability through Manufacturing Technology (ManTech) and Technology Modernization (Tech Mod) programs. These programs establish new manufacturing processes, procedures, and incentives to improve productivity and capital investment. Both ManTech and Tech Mod have long-term returns on our investment of $10 for every $1 spent. Through production efficiency, ManTech and Tech Mod help to make weapons less costly and release money for other needs. FY 85 Industrial Preparedness funds requested total $187M, including $75M for ManTech, $66M for GOCO facilities, $41M for Tech Mod, and $5M for industrial planning. Payoff for the Air Force includes reduced life cycle costs, reduced acquisition lead times, and increased industrial capacity to meet emergency needs.

Operational Training

Well-trained people are essential to maintaining a combat advantage. Our crews and combat support people need to be trained aggressively and realistically to make full use of their equipment and to sustain planned wartime sortie levels. The Air Force needs to train as we would fight—jointly with the other services and our allies—if we are to operate effectively together on the battlefield.

Exercises. We will continue our commitment to aggressive and realistic training. Our crews are training on weapon ranges against simulated enemy defenses, practicing with allied airmen and flying in the environment in which they would fight. Red Flag exercises give crews experience in a mock warfighting environment as realistic as possible in peacetime. During Red Flag exercises, our aircrews — including Guard and Reserve units — mobilize at their home base, deploy to Nellis AFB, Nevada, and stage operations out of airfields in the Nellis area. Crews fly against simulated enemy aircraft and ground-based defenses and deliver live munitions on mock enemy targets.

Since we plan to fight as part of a combined, multi-service force, joint exercises with the other services are particularly valuable. Through the JCS exercise program, we gain considerable experience in deploying and employing forces under the joint operational command arrangement we would have in wartime.

Deployment. Our training programs include deploying active, Guard, and Reserve units to overseas wartime locations where they familiarize themselves with deployment bases, work with our allies by flying in multi-national exercises, and gain experience with the local weather and terrain. These deployments continue to provide valuable, realistic training for our people.

NGT/T-46. In addition to emphasizing exercises and operational deployment, we also must maintain a solid aircrew training base. The aging, numerically inadequate, operationally deficient T-37 fleet dictated the need for developing the Next Generation Trainer (NGT). It will have an initial operational capability in 1987 and will replace the T-37 as our primary training aircraft. Acquisition of the NGT (T-46A) will ensure the Air Force will continue to produce the quantity and quality of aircrew members we need. We have requested $127M in our FY 85 budget to procure the first 10 aircraft of a planned 650 aircraft buy under a fixed price incentive fee contract.

Aircrew Simulators. Aircrew simulators are an integral part of aircrew training and complement flying training. Simulators are used to train flight safety tasks requiring repetition or flight conditions that are difficult or not prudent in an aircraft. Normal, emergency, and instrument procedures, as well as crew coordination, are well suited to simulator training. Simulators are also used to train those warfighting techniques that cannot be covered in the aircraft because of equipment, range, or airspace restrictions.

The cost and complexity of aircrew simulators is increasing and we cannot afford the most technologically advanced simulators for all our requirements. This restriction hinders our ability to match the simulator to the aircraft. In the future, we will acquire less sophisticated simulators for the majority of training requirements. More sophisticated simulators will be purchased only when specific training requirements justify their acquisition.

In FY 85, we will spend $149.7M to build prototype simulators for such systems as the B-1B, T-46, EF-111A, C-5/C-141 Air Refueling Part-Task Trainer, and F-15/F-16 Simulator for Air-to-Air Combat. Production programs totaling $480.3M will produce C-5, B-1B, C-5/C-141 Air Refueling Mission, EF-111, F-16, and F-15 simulators. Significant 1983 events included final delivery of 10 C-130 and 14 A-10 simulators and additional deliveries of B-52, F-15, and F-16 simulators.

Anti-Terrorism Program

The USAF Anti-Terrorism Program was formally established on October 25, 1982. The program is a coherent series of plans, policies, and procedures designed to reduce the vulnerability of Air Force people and resources to terrorist attacks. It includes security precautions, defensive measures, intelligence and awareness programs to alert our people to the terrorist threat.

Under the Air Force Anti-Terrorism Program, installation commanders are responsible for establishing an effective security awareness program and for ensuring that they tell those newly assigned to overseas locations with known terrorist activity of the local terrorist threat, incident reporting procedures, and recommended defensive precautions. During CY 83, for example, AFOSI presented about 1,000 such briefings to a total audience of over 50,000 USAF people.

We are also establishing a special task group under the chairmanship of a general officer to look at all aspects of the terrorist problem. It will examine training of Air Force military and civilian members and dependents with emphasis on training planners, decision-makers and commanders, intelligence, inter-relationships with other intelligence agencies, fusion activities, and providing timely and specific threat information. It will also review major command and base level plans for currency and content and emphasize planning to respond to the broad range of terrorist and dissident activities. Organization, training, and equipping security forces will be high on the review schedule, and rules of engagement, use of deadly force, and the clarity and appropriateness of these areas to the various levels of threat will get a thorough examination. This group will physically examine high threat locations in both the US and overseas. The emphasis will be on what we can do now with the resources currently available. The task group will report on the status of anti-terrorism programs with recommendations for near- and long-term improvement. We will integrate all improvement efforts with the efforts of other services, civil authorities, and host nation authorities.

Air Base Survivability (ABS)

The growing Soviet chemical, aircraft, missile, and unconventional capabilities increase the vulnerability of our wartime operating bases. These forward bases need to survive ground and air attack and still be able to generate effective combat sorties. Essential parts of ABS are the capability to destroy and confuse enemy forces, to limit damage by protecting people and critical resources, to repair damaged pavement and essential facilities in minimum time, and to ensure survivable command and control. The FY 85 budget for all ABS programs is $370M — up $47M from FY 84. The total money we will spend on one base for ABS amounts to the purchase price of only one or two fighter aircraft; in that light, ABS is an excellent investment.

Dispersal and Shelters. ABS draws on complementary funding from many appropriations, NATO infra-structure funding, and host nation support. Overseas military construction (Milcon), especially for operational facilities — such as minimum essential facilities at collocated operating bases (COBs) — is still underfunded. We anticipate future budget requests will contain substantial worldwide Milcon needs. While the NATO program covers some of our requirements, many others are our responsibility.

Point Air Defense. Normally, point air defense is an Army mission; however, fiscal constraints have adversely affected this mission area. The Air Force has sought to improve point air defenses at overseas bases by: supporting Army point air defense (e.g., bases in Germany), exploring cooperative arrangements with host nations, and providing Air Force point air defense capability (e.g., in Korea). Primary interest has been in developing cooperative point air defense arrangements with NATO countries. Because Air Force point air defense programs are associated with other service or host nation programs, funding is essential for the program. Funding delays could hinder initial operational capability or negate international agreements. One year's funding delay could result in stocks not being available and a two- to three-year procurement delay. The alternative to a cooperative funding arrangement is to provide a US capability with new overseas manpower requirements.

We will field equipment for point air defense, air base ground defense, chemical warfare defense, explosive ordnance disposal, and rapid runway repair. Limited military construction is included in FY 85 — a semi-hardened wing operations facility, chemical and biological cells on operations shelters (conjunctive funding), and limited minimum essential facilities at the COBs. Chemical warfare is covered in detail in Chapter IV. We will continue to revet, camouflage, or tone-down critical sortie generation resources. We also are emphasizing interim protection for augmenting forces going to European COBs.

Collocated Operating Bases (COBs)

Collocated operating bases support the beddown of US reinforcements to NATO at allied airfields. The US main operating bases and standby bases cannot beddown the planned reinforcement without severe overcrowding and unacceptable vulnerability to enemy attacks. The COBs, located from northern Norway to eastern Turkey, provide dispersal of the forces and increased flexibility in the use of forces.

To be able to conduct combat operations from the COBs, we have sought minimum essential facilities (MEF) at each location. MEF is parking for dispersed aircraft and storage for a seven-day supply of POL and munitions. While MEF is technically eligible for NATO funding, we are pursuing US prefinancing for MEF in this budget. The priority of these bases, compared to in-place forces and other reinforcement locations, and the scarcity of NATO infrastructure funds will most likely preclude NATO funding of MEF at these locations until the 1990s.

We have identified seventy-three COBs for use by US reinforcements. Full MEF has been funded through NATO infrastructure and the US Military Construction Program for 17 COBs. We expect additional, but undetermined, NATO funding between 1985-

1990. In FY 85, we request $4.6M for maintenance and inspection of prepositioned war readiness materiel and to purchase backup power equipment. Also $16.7M is requested to provide prefinancing of NATO-eligible MEF at three United Kingdom COBs — POL storage at three locations and aircraft parking at two locations.

Host Nation Support (HNS)

The goal of wartime HNS is to ensure that critical wartime logistic support is available for forward deployed and reinforcing US forces without straining US lift and support resources. HNS improves combat readiness by reducing wartime shortfalls of US units. This allied support is necessary because the US does not have enough support units to sustain a NATO conflict.

The Trans-Atlantic Bargain established at the 1978 NATO Summit called for an increase in US reinforcement to NATO if the allies would increase their level of support. In 1980, the US identified long-term, time-phased HNS logistic requirements and provided them to host nation ministries of defense. These initiatives resulted in signed Statements of Principle with Belgium, the Netherlands, Luxembourg, and the United Kingdom indicating the willingness of these countries to increase their support of US forces in wartime. On April 15, 1982, the US and Germany signed a Wartime HNS Agreement that created new units in the Bundeswehr Reserve which, upon mobilization, would furnish logistic support for US combat forces. The USAF will receive about 26,000 German support people for airbase security, airfield damage repair, COB augmentation, and medical evacuation. Under the cost sharing formula associated with the agreement, the US pays for civilian salaries, unit equipment purchase, and operations and maintenance expenses. Our FY 85 request is for $15.5M for the USAF portion of the program.

Wartime Medical Support

Air Force medical capability in Europe and in the Pacific was developed under the outmoded assumption that air bases would sustain relatively few casualties during wartime. Recent air base threat analyses have clearly shown that our medical facilities in overseas areas will not handle the wartime medical workload.

Because we expect our casualty load to peak during the first 30 days of conflict, we must be able to provide medical care when hostilities begin. With current limitations, wounded patients could suffer up to a 25 percent fatality rate, compared with three percent in Vietnam and Korea, and five percent during World War II. To provide wartime medical capability, we need to preposition medical materiel in the theater. Our FY 85 request of $48M provides needed medical and dental equipment.

The Air Reserve Forces have a significant medical role in both peacetime and wartime. Today, approximately 30 percent of the US-based C-9 and 64 percent of the strategic C-141 aeromedical evacuation aircrews are Air Force Reserve. If war erupted today, the mobilized Air National Guard and Air Force Reserve would provide 90 percent of the aeromedical evacuation aircrews.

Defense-Wide Command, Control, and Communications (C^3) Support

To use our combat potential fully, we must integrate individual weapon systems into a single fighting force. This force integration depends on secure, survivable C^3 systems. The defense-wide C^3 system includes programs and capabilities aimed at providing command and control, logistics, intelligence, navigational, and other support communications for peacetime and wartime. It does not include systems dedicated to specific warfare missions. Key programs and their FY 85 funding levels include $35M for the Air Force portion of the Defense Communications System, $51M for the interservice Agency Automated Message Processing Equipment Program, and $183M for the Joint Tactical Communications Program.

The quality of defense-wide communications affects Air Force readiness, force execution, and combat sustainability. In the FY 85 funds request for these systems, we have emphasized improving the survivability, reliability, and effectiveness of the communications that support the National Command Authorities and the theater commanders.

III. FORCE PROJECTION

The United States must be able to deploy, employ, and sustain combat forces rapidly to protect vital US worldwide interests. The visible means and will to project military power can deter potential adversaries from taking actions hostile to our interests. Timely force projection can also be a stabilizing factor in preventing small crises from escalating into larger conflicts.

Effective force projection is balanced among airlift, sealift, and prepositioning programs. Though sealift provides the majority of US sustainment capability, the speed and flexibility of our airlift forces have no substitute. This airlift capability may mean the difference between an early decisive victory and protracted large scale conflict. But we do not have enough airlift to deploy US combat forces worldwide, and the best-equipped combat forces are of little value if we cannot bring them to the battle in time.

Global Airlift Requirements

Since 1974, 17 major mobility studies have compared established requirements to our airlift capability. In every case airlift requirements far exceeded capabilities. The Congressionally Mandated Mobility Study (CMMS) concluded that programmed mobility capability could not meet current or projected requirements. To remedy this shortfall, the study recommended a balanced program of airlift, sealift, and strategically prepositioned equipment and supplies. The CMMS further recommended building an airlift force capable of providing a minimum objective of 66 million ton miles per day (MTM/D) intertheater cargo airlift capability, with one-half of the additional force outsize capable. A 66 MTM/D airlift force is the basis for the DoD Sealift Study, a study to determine objectives for both sealift and prepositioning programs. The defense planning guidance also established the 66 MTM/D airlift force as a long-term objective.

Airlift requirements have grown because of five factors that have evolved over the last decade:

- warning time has decreased because of improved Soviet capabilities, placing a premium on bringing US power to bear quickly;
- the requirement for early arrival of equipment and troops has increased as prepositioned equipment increased because of the need to combine prepositioned equipment rapidly with people and remaining unit equipment to form a combat-ready unit;
- the Army equipment modernization program has increased both gross tonnage and outsize proportions of unit equipment;
- we need to be able to respond to crises worldwide, not just in Europe, Southwest Asia, and Korea;
- the uncertainty about the availability of en route landing and overflight rights and the lack of airfields and facilities in objective areas require greater airlift and refueling capability to ensure rapid deployment.

Airlift Master Plan

The Air Force Airlift Master Plan presents long range airlift planning objectives to support national policy. It focuses on inter- and intra-theater airlift using FY 83 capability as the base. This master plan is the first in a series of volumes the Air Staff and the Military Airlift Command (MAC) are developing to address proposed solutions to current and future needs. Our FY 85 budget request builds towards the objectives documented in this master plan.

Projections for aircraft capability by year covered in the Airlift Master Plan are highlighted in Figure 3 below:

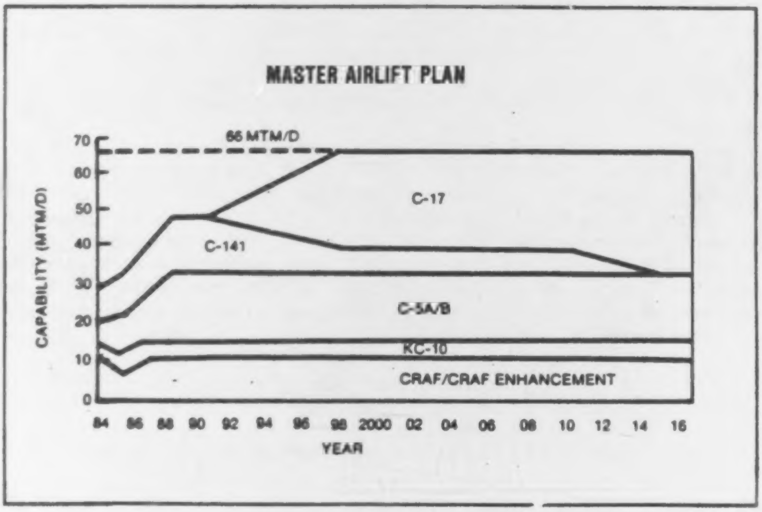


Figure 3

Current Capabilities

The current airlift system blends active duty Air Force, Air National Guard (ANG), Air Force Reserve (AFR), and the Civil Reserve Air Fleet (CRAF) people, aircraft, and equipment into a national airlift force. Although active duty MAC forces form the backbone of the US military airlift system, Air Reserve Forces contribute about 50 percent of our intertheater airlift capability through the C-5/C-141/KC-10 Associate Reserve Program and 58 percent of our intratheater airlift capability through the Air National Guard and Reserve C-130 units.

MAC operates C-5, C-141, and C-130 aircraft in seven intertheater and five intratheater airlift wings and groups based in the United States, Europe, Alaska, and the

Far East. In peacetime these forces train in the MAC system to maintain combat readiness, furnish training for Army airborne forces, and provide humanitarian assistance. As a by-product, they also provide peacetime transportation for the DoD and other government agencies. In wartime, this system expands to provide airlift within hours to any part of the globe.

Our nation maintains four types of aircraft in its organic airlift fleet: the C-5 Galaxy, the C-141 Starlifter, the KC-10 Extender, and the C-130 Hercules. Airlift plans also include the C-17, scheduled for an initial operational capability of 1992.

The C-5 is an air-refuelable, four-engine, long range jet transport that carries 340 troops or 36 cargo pallets. The 70 operational C-5 aircraft are our only current airlift aircraft capable of carrying outsize equipment (e.g., fighting vehicles, self-propelled artillery, air defense systems, helicopters, and communications vans) and provides 24 percent of our existing wartime intertheater airlift capability.

The C-141B, backbone of our intertheater airlift, is an air-refuelable, four-engine, long-range jet transport that carries 200 ground troops, 103 litter patients, or 13 cargo pallets. The C-141B also can airdrop up to 35 tons or 155 paratroopers. The 234 operational C-141B aircraft represent 38 percent of US wartime intertheater airlift capability.

The KC-10 is an air-refuelable, three-engine, long range aircraft, capable of performing cargo, air refueling, or dual role missions. In a cargo role, it carries 27 cargo pallets and transports up to 85 tons approximately 3400 NM. In a refueling role, the KC-10 accomplishes elements of both the cargo and air-refueling missions. This aircraft is being purchased under a flexible, multiyear procurement contract at substantially lower prices than comparable commercial sales. We have procured 32 KC-10s with eight more programmed in FY 85. Current KC-10s provide about six percent of existing wartime intertheater airlift capability.

The C-130 is a four-engine, turbo-prop assault transport that delivers troops or cargo in airdrop, extraction, or airland operations. This aircraft carries 92 troops, 64 paratroops, 74 litter patients, or six cargo pallets. Our primary intratheater airlifter, the C-130, carries oversize and bulk cargo over short distances. Of the 520 C-130s in the inventory, 302 are assigned to the Reserve and Air National Guard.

Finally, the Civil Reserve Air Fleet (CRAF) is an essential part of our wartime airlift capability. By contract, civil carriers with long range cargo and passenger aircraft augment the USAF airlift fleet during crises. CRAF represents about 32 percent of our long range cargo airlift capability and over 90 percent of our passenger capability.

The Airlift Improvement Program

Our goal is to attain the 66 million ton miles per day (MTM/D) of airlift capacity recommended by the Congressionally Mandated Mobility Study. Today our intertheater airlift forces, consisting of C-5As, C-141Bs, KC-10s, and the Civil Reserve Air Fleet (CRAF), provide only 32.4 MTM/D.

The Air Force program to redress our airlift shortfalls has three parallel courses of action: more effective use of current assets, procurement of additional aircraft, and a revitalized CRAF Enhancement Program.

More Effective Use of Current Assets. Our program to improve how we use our current assets includes: modifying the C-5 and C-130 wings; additional spares; prepositioning; increased aerial port manning; more materiel handling equipment, pallets, and nets.

C-5 Wing Modification. This modification will strengthen the wing structure and extend aircraft service life by 30,000 hours or well into the 21st century. The first aircraft was delivered in February 1983 ahead of schedule and under cost, with the entire fleet to be completed by July 1987.

C-130 B/E. The C-130 B/E wing modifications correct wing fatigue and corrosion problems and extend aircraft service life well into the 21st century. We are now tracking aircraft by mission and flying time so we can detect potential problems earlier. The C-130A will not be upgraded since we plan to retire this aircraft as the C-17 enters the inventory.

Capability Enhancements. We have significantly increased funding for airlift spares in the last several years. The FY 85 program continues funding for spare parts to increase use of the C-5, C-141, and C-130 aircraft. Our FY 85 budget request also includes funds for increased manning, expanded aerial port capacities, and materiels handling equipment, including container handling equipment to process intermodal air containers and reduce the shortages created by our improved airlift capabilities and increased wartime demands. We will reach full stock levels by FY 88.

Prepositioning. The prepositioning program is an ongoing effort to improve readiness and sustainability by providing in-place combat capability with equipment and supplies stored in theater. The FY 85 request moves us significantly closer to meeting our DoD-established prepositioning goals.

Procurement of Additional Capability. Our comprehensive airlift acquisition program calls for a near term mix of KC-10s, C-5Bs, and CRAF-enhanced aircraft and the purchase of C-17s for the needed long term modernization and expansion of the airlift force.

KC-10. Because of its long range and large fuel capacity, the KC-10 reduces our dependence on en route basing in support of worldwide force deployments. When used as a cargo carrier, programmed KC-10s alleviate some of our airlift shortfall (4.5 MTM/D). Our FY 85 budget requests $703M for the purchase of eight KC-10s, spares, and long-lead items. (The KC-10 tanker capabilities are discussed in the Aerial Refueling Capabilities and Requirements section.)

C-5B. Acquiring 50 C-5Bs over the next four years will increase our intertheater outsize and oversize capability by 7.5 MTM/D. The C-5B is an updated C-5A with current engineering changes including a 30,000 hour wing, GE TF39-1C engines, improved avionics, and the use of more durable, corrosion-resistant alloys. Since the C-5B will be built primarily with the existing C-5A production base, it requires no investment in RDT&E. Our FY 85 budget requests $2,099M which purchases ten aircraft and funds long-lead items for the GE TF39-1C engine.

C-17. The C-17 is the key to our future airlift capability. It is a long range, air refuelable, all-weather aircraft designed for the wartime airlift mission. It will increase our intertheater airlift capability by delivering outsize cargo directly to its final destination without incurring transshipment delays at major operating bases. The C-17 will also effectively complement our C-130 force in the intratheater role by providing our first outsize capability between the short austere airfields so common in most of the world. Additionally, it will perform the long range intratheater missions for which the C-130 is less efficient and will carry four times the ammunition or fuel forward in support of Army requirements. In addition to increasing our intertheater and intratheater airlift capabilities, the C-17 is key to modernizing our airlift force. Our earlier model C-130s and some of our C-141s will retire during the 1990s. The C-17 will effectively replace these lost capabilities while requiring only minimum changes in operating costs and manpower requirements.

By obtaining KC-10s and C-5Bs as soon as possible, we can quickly address our current critical need for additional airlift. By developing the C-17, we can provide the additional intertheater and intratheater airlift capability that is necessary and ensure a modern airlift force for the 1990s and beyond. With FY 85 funding, we will continue C-17 development toward an FY 92 initial operating capability and continue the uninterrupted buildup of airlift capability toward achieving recommended goals.

Revitalized CRAF Enhancement Program. Another current Air Force program intended to reduce the shortfall in intertheater cargo airlift is the CRAF Enhancement Program. This program is the most cost-effective source of additional bulk and oversize intertheater airlift. The program adds cargo convertibility features to new or existing civilian wide body passenger aircraft and makes these aircraft available to airlift cargo in the event of a national emergency. Since the airlines retain ownership, the life cycle cost of these aircraft to the Air Force is about one-sixth the cost of procuring and operating aircraft with similar capability. The FY 85 budget requests $127.7M for the program. This amount will support the retrofit of four Boeing 747s to a cargo-convertible configuration, to be delivered in 1986 and will bring the total number of passenger aircraft modified under the current contract to nine.

Other Airlift Programs. Other airlift programs currently under way include procuring the C-20A to replace the aging C-140B and leasing C-12Fs and C-21As to replace the CT-39.

C-20A. The Air Force has 11 C-140B aircraft to transport high ranking government officials and foreign dignitaries in the US and Europe. But the C-140B has inadequate range and payload and is costly to operate. Its 1950s-vintage airframe and engine cause high fuel consumption and make replacement parts difficult to obtain. In requesting replacement aircraft we included two range requirements: coast-to-coast (2200 NM) and medium range (1400 NM), both carrying 14 passengers. Despite separate competitive programs for each range requirement, a single aircraft — Gulfstream III (C-20A) — won both competitions. The program began with the lease of one aircraft in FY 83 and two more aircraft in FY 84. We will buy these same three aircraft in FY 85, three more in FY 86 and in FY 87, and two more in FY 88. FY 85 funds of $76M cover the cost of buying and operating the first three aircraft.

C-12F and C-21A. The current CT-39 operational support aircraft (OSA) fleet, acquired in the late 1950s and early 1960s, is becoming increasingly less cost-effective because of fuel inefficiency and the need for certain flight safety and structural inspections and modifications. Therefore, to meet wartime support requirements and to provide a small, cost-effective aircraft to season some pilots, we are replacing the CT-39s. In September 1983, we contracted with Gates Learjet for 80 Lear 35s (C-21As) and Beech Aircraft for 40 King Air 200s (C-12Fs). Since the FY 83 Continuing Resolution authorized the Air Force to replace the current OSA fleet through a multiyear lease, the C-12F and C-21A acquisition will be by competitive leasing and a five-year multiyear contract, with up to three additional option years. Although we also have an option to buy the aircraft at a reduced price at the end of the lease period, we will not acquire title to the aircraft without congressional approval. Aircraft deliveries will begin in March 1984 building to eight aircraft (four C-12Fs and four C-21As) per month and continue until FY 86. We will provide pilots and fuel; the contractor will provide maintenance, support, and familiarization training for the initial group of Air Force pilots. We will fund the program from the Air Force's Operation and Maintenance account.

Special Operations and Combat Rescue

The Soviet Union and its surrogates continue to promote worldwide revolutions. This Soviet support, combined with technological advances, economic dislocations, social change, and growing international interdependence, will generate further increases in low level conflict.

US Special Operations Forces (SOF) must be able to conduct a wide range of missions at all conflict levels. Missions include security assistance, foreign internal defense, unconventional warfare, psychological operations (PSYOP), counterterrorism, and civil affairs — such as forest fire control. Although all aerospace forces may be used in special operations, the Air Force organizes, trains, and equips particular units to conduct special operations as their primary mission. These units are equipped with MC-130, AC-130, EC-130, HH-53H, and UH-1 aircraft and will eventually receive 24 HH-60s. We organize and employ these forces in small formations to provide support or independently operate with timely and tailored responses throughout the spectrum of conflict.

Combat rescue forces, equipped with HC-130, HH-60, HH-53, H-3, and UH-1 aircraft provide the capability to remove downed crewmembers from enemy territory during hostilities. This capability saves lives, returns valuable crewmembers to the cockpit, denies the enemy a source of intelligence and propaganda, and boosts the morale of our crews in wartime. Selected combat rescue forces also augment SOF.

Equipment Acquisition. We will use our FY 85 funding to modify existing HC-130, AC-130, and MC-130E aircraft and purchase two MC-130Hs for special operations.

We also are developing a new helicopter for our combat rescue and special operations missions. The aircraft, to be designated the HH-60D/E Night Hawk, is a derivative of the Army UH-60A Black Hawk and Navy SH-60B Seahawk. Changes to the basic HH-60 include extended range capability, more powerful engines, and improved avionics, giving the HH-60D the capability for precision low level navigation at night and in adverse weather conditions. The HH-60E will not be equipped with the night and adverse weather avionics suite included on the HH-60D. Together, the HH-60D and HH-60E constitute a "high/low" capability for combat rescue and special operations missions in a wide variety of threat environments. Funding requested in FY 85 includes $81M for research and development and $22.5M for advance procurement. We plan to procure 155 aircraft, to include 45 HH-60Ds and 86 HH-60Es for combat rescue and 24 HH-60Ds for Special Operations. The HH-60 will be operational in the active force, the Air National Guard and the Air Force Reserve.

Joint Service Advanced Vertical Lift Aircraft (JVX). The Air Force will fund a portion of the Joint Service Advanced Vertical Lift Aircraft Development Program (JVX) with the Navy as the lead service. The JVX is a long term DoD initiative to develop a common, advanced vertical take off and landing (VTOL) aircraft. The program will take advantage of emerging VTOL technology and will reduce DoD costs through common development.

While the JVX represents a substantial technological advancement in long term operational capability, it does not lessen the near term Air Force requirement for the HH-60. We plan to add the high speed, long range cruise efficiency, and vertical lift characteristics of the JVX to allow worldwide special operations missions. We are requesting $1.1M for Air Force-unique system development funds in FY 85.

Aerial Refueling Capabilities and Requirements

Aerial refueling is key to effective force projection. Because of the variety and number of users, the worldwide combat flexibility, and the growing political restrictions on landing and overflight rights, our aerial refueling needs have increased substantially. In addition, the Air Force has five times more air-refuelable aircraft than it did in 1960.

We originally bought the KC-135 to support our strategic bomber nuclear mission. Our bombers now require increased refueling support due to changes in mission profiles, tactics, and range degradation resulting from modifications such as external carriage of air launched cruise missiles.

In addition, our general purpose forces have increased the demand for aerial refueling. Most deployments require air refueling, not only for fighters, but also for transports carrying support equipment and people. Today in a crisis, we would have to divert tankers from the critical strategic mission to support our fighters and transports.

KC-135R. Our 615 operational KC-135 tankers, purchased in the 1960s, are aging. The KC-135 modernization program not only replaces the old J57 engine with the more powerful, fuel efficient CFM56 engine but updates or replaces 34 other systems on all active and reserve aircraft, and on 16 ANG aircraft. These changes, combined with the ongoing wing reskinning, allow each KC-135R to do the job of one and a half KC-135As and will extend service life well into the next century. The modification increases thrust 60 percent, decreases dependence on long runways, decreases fuel consumption 25 percent, and reduces maintenance costs. It will now meet environmental standards. FY 85 funds will procure the fourth production lot of KC-135Rs, bringing the total ordered to 111. Three hundred ninety-two KC-135 modification kits will be funded through FY 89.

Congress added FY 84 funds to reengine the third increment of Air National Guard C-135s with JT3Ds (96 total aircraft). This program will increase the fuel offload capability in these aircraft by 20 percent and will reduce noise and pollution.

KC-10A. The KC-10A is a derivative of the civilian DC-10-30CF. Minimum changes have provided the required military tanker and cargo capability. The KC-10 greatly improves Air Force capability to support crises operations over long ranges with reduced dependence on foreign bases. The KC-10 is equipped with both a hose and drogue system and an improved refueling boom which provides higher flow rates, more flexibility, and an increased safety margin. We are purchasing these aircraft using a flexible, multiyear contract that provides substantially lower prices than those of comparable commercial sales. FY 85 funds will purchase eight aircraft for $647M, giving us 40 of the 60 planned aircraft.

IV. THEATER FORCES

An important element of our military power is the ability to meet diverse threats in many regions — Europe, Southwest Asia, the Pacific, the Americas, and Africa. To defend our national interests and those of our allies, the Air Force must be able to respond to aggression anywhere, at any level of conflict. Aggression may come from the Soviet Union, Soviet proxies, or other hostile countries. Combat may range from a high-intensity Warsaw Pact offensive to a small-scale insurgency in a Third World country.

The tactical forces required to meet this challenge are a composite of many capabilities: fighter and reconnaissance aircraft, electronic combat forces, special operations forces, intratheater airlift, specialized command and control aircraft, and the conventional combat capability of our strategic bombers. These forces are trained and equipped to fulfill the entire spectrum of tactical missions.

We must maintain, with our allies, a credible defense against Soviet conventional forces, and dramatic Soviet improvements in theater warfare capability drive our force requirements to provide that defense.

Soviet Force Developments

The Soviets continue to expand and modernize their numerically superior tactical air force — a program that reached alarming proportions in the 1970s and shows no sign of abating. They have modernized their limited range, low payload, day fighter force into a potent, long range, tactical air arm with increasing capability to operate in adverse weather. They are producing approximately 1100 modern tactical fighters per year, while the US is procuring about 330 (198 USAF) in FY 85. A new generation of Soviet fighter designs signifies their intention to equal or exceed the combat capability of US and allied tactical aircraft.

The most disturbing recent development in Soviet frontal aviation is the transformation from defensive to offensive systems and training — a sure sign of a doctrinal shift from a defense-of-the-homeland policy to one of expanded offensive operations. The Soviet tactical and theater air forces consist of over 6,000 fighters, interceptors, fighter-bombers, and medium bombers, including reconnaissance and ECM variants. More than half of these aircraft have offensive combat missions.

Aircraft suitable for long range interdiction include the Badger, Blinder, and Backfire bombers, as well as the Fencer attack aircraft. Tactical ground attack missions are flown by Flogger and Fitter fighter-bombers. Direct troop support is the job of Frogfoot fighter-bombers and Hip and Hind helicopters. Flogger and Fishbed counterair fighters provide defensive cover and escort. Over the next ten years, we expect the Soviet tactical and theater air forces to receive more modern aircraft. The ground attack force will continue to receive new Backfire, Fencer, and Frogfoot aircraft. We estimate that by the mid-1980s the counterair force will receive two new aircraft, the Flanker and Fulcrum, both comparable to existing US fighters, and the Flanker is capable of offensive fighter sweeps over NATO territory.

The Soviets have modernized and expanded their ability to conduct theater offensive chemical and nuclear operations. They have deployed 378 mobile SS-20 tactical ballistic missiles, more than two-thirds of which are aimed at Western Europe, placing nearly all of NATO's forces at risk with little or no attack warning.

The mobility and firepower of Soviet ground forces have also improved greatly. A steady infusion of large numbers of new tanks, infantry fighting vehicles, self-propelled artillery, and attack helicopters enables them to conduct rapid offensive operations characterized by massive firepower. To protect this force, the Soviets have also fielded sophisticated air defense artillery and an expanding family of surface-to-air missiles — all supported by a linked array of mobile and fixed radars.

The Tactical Challenge

In a European conflict, Warsaw Pact forces would attempt to seize the initiative by mounting a massive air and ground offensive: armor-heavy ground forces assaulting allied lines at several points, backed by waves of reinforcing divisions and supported by intensive theater-wide air strikes. These forces, supported by helicopter and attack aircraft, would try to penetrate or bypass our defenses to strike deep into our rear areas. Soviet forces would most likely be attacking in other regions as well.

The range of potential conflicts is broad, and tactical airpower must be flexible. In any conflict, our tactical air forces must be able to achieve air superiority quickly and provide air support to our ground forces. Supporting US and allied ground forces will require air attacks near friendly forces and interdiction of enemy ground forces and supplies.

In the air-to-air role, our aircraft must detect and destroy numerically superior, sophisticated Soviet fighters and bombers. To accomplish this feat, we need autonomous search radars, a munitions mix and avionics which help us employ our weapons, and superior aircraft performance.

In the air-to-surface role, our aircraft must evade and suppress enemy defenses. They should be able to deliver their munitions day or night, in all weather conditions, and whenever and wherever enemy forces are conducting offensive operations.

On any mission, our munitions are a critical part of weapon system capability. We need weapons that achieve high effectiveness through accuracy and lethality while reducing our aircraft attrition. In particular, precision-guided munitions substantially reduce the cost of destroying a Soviet force — both in terms of sorties required and friendly losses.

Tactical Requirements

We plan to capitalize on our advantages in technology, tactics, and dedicated, well-trained people to maintain a combat-ready, flexible, tactical air force. Because of the growth in Soviet military power and the steady improvement in their combat capabilities, we need to continue to modernize and expand our tactical air forces while maintaining the sharp edge of readiness. However, the European troop ceiling threatens programmed US capability improvements. These improvements are necessary to prevent further disparity between the conventional capabilities of the Warsaw Pact and NATO. Unilateral US action to limit its NATO capabilities may discourage our allies from continuing efforts to improve their conventional forces.

Because allied ground and air forces would be outnumbered, and because the enemy will determine the time and place of aggression, we would rely heavily on the force and flexibility of air power to deter or defeat a Soviet attack. We share the Army's enthusiasm for its evolving Airland Battle doctrine, particularly the emphasis on offensive operations and maneuver warfare. We are working with the Army to resolve differences and ensure effective use of theater air resources.

The Air Force faces a continuous challenge in striking a proper balance between maintaining combat readiness and sustainability and the modernization of our tactical forces within a constrained budget. We have made progress toward achieving that balance.

In working toward the goal of modern, combat-ready forces, we have several key objectives. To ensure readiness, we continue to stress four areas:

- adequate spare parts, munitions, and other materiel to sustain the forces in combat;
- more and better flying training;
- joint exercises and other realistic training; and
- improved system reliability, leading to higher readiness and reduced maintenance costs.

Our modernization program emphasizes four key objectives:

- building the capability to attack and destroy surface targets at longer ranges at night and in adverse weather conditions;
- establishing efficient production rates for F-15s and F-16s;
- improving the effectiveness of current tactical aircraft through better sensors, avionics, and weapons; and
- developing an advanced tactical fighter (ATF) designed to meet the threat of the 1990s.

Our global commitments require that we plan forces we can employ worldwide. These commitments, compounded by the size and lethality of Soviet air and ground forces, dictate we increase our present 36 fighter wings to a minimum of 40. We will need to build almost 300 new fighters each year to reach 40 tactical fighter wings and support strategic defense and reconnaissance requirements. Current production rates are well below this level, and we need to increase fighter procurement.

Since budgetary and infrastructure constraints limit the available alternatives, we need to maintain a mix of aircraft to ensure we are able to meet our requirements across the range of mission demands. Also, since the United States cannot do the job alone, we will continue to depend heavily on allied forces to help us maintain an effective defense.

We continue to organize, equip, and train active and reserve components as a Total Force. Air Reserve Forces (ARF) are an integral portion of our tactical capability. Since ARF aircraft and munitions must complement those in the active forces, a continual modernization and modification program is critical to ensure both aircraft and munitions are consistent with the threat. Units with older aircraft will receive the newer F-15s, F-16s, and A-10s, and we will restore the size of many squadrons from 18 to the authorized 24 aircraft. Further, those units not modernized will need their aircraft modified to meet the threat.

Air Reserve Forces provide 68 percent of our air defense interceptors, 51 percent of tactical reconnaissance aircraft, and 34 percent of tactical fighters. The Total Force works as a team, taking advantage of common logistics, training, and equipment.

Tactical Roadmap

Maintaining our two fighter production lines into the 1990s is essential to sustain the strength of our tactical forces, which we have been rebuilding since Vietnam. The F-15 and F-16 are now superior to Soviet inventory fighters and, with evolutionary improvements, will remain so through the 1980s.

F-15. The F-15 Eagle is the best air-to-air fighter in the world. The F-15 will retain its combat advantage through its superior acceleration and maneuverability, all weather capability, avionics upgrades, proven mix of weapons, better self-protection measures, and beyond-visual-range identification system. The F-15 is also capable of performing the visual air-to-surface mission.

We are pleased with F-15 readiness. During surge exercises the system has consistently reached the high sortie rates required during combat conditions. The current production F-15 C/D has had the highest fully mission capable rates of our tactical aircraft for the past three years. Avionics improvements will result in better electronic counter-countermeasures, beyond-visual-range identification, and defensive self-protection. These improvements, started in FY 82, are essential for effectiveness and survivability in an intense, hostile environment. In FY 85, $82.9M is requested for avionics upgrade.

The FY 84 production aircraft will be further improved by the Advanced Medium Range Air-to-Air Missile (AMRAAM) and avionics upgrades. The $2B request supports a more economical production rate of 48 aircraft in FY 85, building to 60 in FY 86. This increased production will satisfy force structure requirements, maintain a balanced mix of F-15s and F-16s, and provide replacement aircraft for those allocated to the air defense and anti-satellite missions.

F-16. The multi-mission F-16 Fighting Falcon continues to exceed our expectations. It performs superbly in the air-to-air and air-to-surface roles, and meets desired flying hour goals and sortie and mission capable rates. The F-16 will keep pace with the threat through such improvements as AMRAAM, advanced sensors, and better electronic warfare equipment. Continued support for the Multinational Staged Improvement Program is necessary to incorporate needed improvements and provide systems growth.

The F-16 complements the F-15 in air superiority roles and is becoming our primary surface attack aircraft complementing our F-111s, F-4s, A-7s, and A-10s. It has improved the combat capability of our tactical and allied forces. The F-16 will be flown by 11 air forces: US, Belgium, Denmark, the Netherlands, Norway, Israel, Egypt, Pakistan, Venezuela, Korea, and Turkey.

The FY 85 request of $4.1B for 150 aircraft and initial spares continues the last increment of the four-year, multiyear procurement. Our F-16 buy will replace aging F-4s, modernize the Air Reserve Forces, and provide modern tactical fighters.

Dual Role Fighter. A serious tactical deficiency is our limited ability to operate at night and in adverse weather conditions. We also need an aircraft with greater range and payload than the present A-7, F-4 and F-16 aircraft. The aging F-111 provides our only long range, night/adverse weather capability. The F-15E or F-16E dual role fighter candidates will substantially correct this problem with their improved range and payload while maintaining their proven air-to-air capability. The necessary modifications have been determined through flight testing. We will brief the results of our evaluations and our decision to appropriate congressional committees before we award a full scale development contract.

Alternate Fighter Engine Competition. The Air Force is competing out-year fighter (F-15 and F-16) engine requirements. The engines competing are the F110, a General Electric engine derived from the F101 (B-1 engine), and the improved F100, a Pratt and Whitney upgrade of the F100 engine presently used in the F-15 and F-16. The Air Force has pursued a well-designed competition toward the goal of producing more durable, supportable, and affordable engines for our current generation tactical fighters. Testing indicates that both engines are more reliable than the present engine, reduce maintenance manhours per flying hour, and will provide considerable life cycle cost savings along with increased sortie production capability.

The FY 85 request of $73M recognizes the higher initial acquisition cost of an engine or engines with twice the life of today's engine. We will know actual requirements at source selection, and may need to transfer budgeted funds between the F-15 and F-16 production lines.

The alternate fighter engine is currently in the final stages of the formal source selection process, and we expect a decision in early 1984. Production will begin in November 1985 with installation in delivered aircraft in June 1986.

LANTIRN. Since day-visual weather conditions average only four and one-half hours per day during European winters, our tactical aircraft must be able to fly their missions at night and in bad weather. Currently, only the F-111 can deliver large payloads at long range, at night, and in adverse weather.

The Low Altitude Navigation and Targeting Infrared System for Night (LANTIRN) will enable our F-16, A-10 and dual role fighters to penetrate enemy defenses at low altitude and find and destroy enemy targets at night and under the weather. LANTIRN can double our sortie rate during winter months. The LANTIRN system consists of two pods, one for navigation and one for targeting. Flight testing of the navigation pod began in July 1983, while testing of the targeting pod began in November 1983. We expect to decide on production in early 1985 and have requested $98.3M for research and development and $190M for procurement of tooling and the first four pod sets.

Advanced Tactical Fighter (ATF) Technologies By the early 1990s, our current fighter designs (F-15A and F-16A) will be 20 years old and approaching the limits of feasible modifications. We will need a new generation of fighters taking advantage of new technology to meet the expanded threat and worldwide mission.

To be ready in the 1990s, we must start now to ensure we adequately develop ATF technologies. The current $94.3M funding supports efforts leading to a full scale engineering development in FY 89 and an ATF initial operational capability in FY 95.

Munitions

We must have enough modern, effective munitions to be able to fight well. Much of our munitions inventory consists of older, less capable munitions. Several new types of munitions are now reaching the stockpiles; however, we need to continue our efforts to improve the quality and quantity of our munitions.

A complementary mix of direct delivery and standoff weapons offers flexibility for attacking a variety of fixed and moving targets and facilitates adjustment to enemy defenses. Standoff systems must strike accurately and destructively while reducing exposure to enemy defenses. A proper mix of these accurate, controllable, and affordable weapons gives us a more effective and survivable force.

Air-to-Air. Air-to-Air weapons provide our fighter aircraft with the means to defeat enemy aircraft in the air. The survivability of our fighter aircraft in aerial combat depends on effective air-to-air weapons. These weapons include the AIM-7 and AIM-9. Additionally, the programmed AIM-120 Advanced Medium Range Air-to-Air Missile (AMRAAM) and the Advanced Short Range Air-to-Air Missile (ASRAAM) will provide the fighter with the flexibility to engage and destroy the enemy within and beyond visual range. AMRAAM and ASRAAM will improve our air-to-air weapons posture and allow us to keep pace with the threat.

FY 84 is the last year for procuring the AIM-7 radar-guided missile, and we are beginning transition to the AMRAAM in FY 85. AMRAAM bolsters our air-to-air inventory because of its greater envelope, increased velocity, launch and maneuver employment capability, and capacity for multiple target attack. Analyses show that AMRAAM will greatly increase our effectiveness against a numerically superior threat and reduce the vulnerability of our crews. Initially, the AMRAAM will fill the critical shortfall of medium range missiles. Later, as AMRAAMs continue coming into the inventory, we will begin phasing out the AIM-7s. The FY 85 request includes $413M for the procurement of 174 AMRAAMs.

ASRAAM will provide a next generation missile to augment the AIM-9L/M in the 1990s. Our recommendation on ASRAAM, being developed by the United Kingdom and Federal Republic of Germany, will be made after we completely review missile cost, schedule, and performance.

Air-to-Surface. We need a munitions mix to influence the land battle because of the diverse enemy forces and capabilities. Confronted by an adversary enjoying numerical superiority and improving quality, we must equip our forces with the most effective munitions. Many of our current weapons are from the Vietnam era. If we went to war today, we could sustain the force but we would anticipate low kills per sortie and high attrition rates, making missions costly. We need a weapons mix that will do the job with the most kills per dollar. Specifically, we need an affordable mix of:

- standoff weapons with the range, accuracy, and payload/warhead(s) suitable for lethal attack of a variety of targets with reduced exposure of the launch platform to ground based defenses;
- improved defense suppression weapons to neutralize the growing surface-to-air threat;
- multiple kill weapons against the follow-on forces; and
- hard target weapons to destroy the enemy assets in hardened sanctuaries.

Since our tactical forces must be armed with munitions to destroy Soviet armored ground forces, we are increasing our inventory of weapons by using IIR Maverick, GPU-5 30mm gun pod and ammunition, CEM, and Gator. Additionally, we are developing more effective anti-armor weapons. The Sensor Fused Weapon with a smart anti-armor submunition will continue full-scale development in FY 85.

Our forces do not have the munitions to attack enemy airfields effectively. However, we are making progress. Durandal, a French-built, rocket-assisted, runway-cratering munition is a first step. In addition to procuring Durandal, we are developing a new generation of weapons and submunitions to attack all elements of the airfield target system and we are studying airfield attack methods.

Cratering submunitions may be the most cost-effective means of closing runways. Once these submunitions are developed and proven, they can be used in many ways: on aircraft in direct attack; powered or freeflight dispensers; and long range, standoff weapons.

Airfields have many other targets which, if destroyed, could reduce enemy sorties. The first generation of precision-guided munitions greatly improved our ability to attack targets on airfields and throughout the enemy's rear area. In FY 85 we will increase our inventory of newer, better precision weapons with the GBU-15 and the Low-Level Laser Guided Bomb. The developing powered GBU-15 (designated AGM-130) also will provide greater standoff range.

We are also working with the Army in the Joint Tactical Missile System (JTACMS) program to develop long range stand off missiles to attack follow on forces and other deep targets. JTACMS will be able to strike targets using real time information provided in various ways, including the Precision Location Strike System (PLSS) and Joint Surveillance and Target Attack Radar System (Joint STARS). Our FY 85 budget requests $36M for the JTACMS program.

Non-Strategic Nuclear Force Modernization

The world wars taught us that our security is linked firmly with Western Europe's. We have peace in Western Europe because the NATO nations have joined together in an alliance strong enough to balance Soviet military power and deter Warsaw Pact aggression. We and our allies need to ensure the effectiveness of our conventional, intermediate range nuclear, and strategic nuclear forces.

The Soviets have deployed 378 SS-20 intermediate range nuclear missiles, more than two-thirds of which are aimed at Western Europe. In the face of these deployments, NATO nations remain firm in their December 1979 dual-track decision to deploy 464 ground-launched cruise missiles (GLCMs) and 108 Pershing II launchers, while pursuing arms negotiations. Unfortunately, the Soviets have chosen to discontinue their participation in the Intermediate Range Nuclear Forces (INF) talks, where the US sought to eliminate this entire class of weapons or substantially reduce their numbers on both sides. NATO nations at present have no comparable capability to counter Soviet intermediate range nuclear forces (the new SS-20s, and the SS-4s and SS-5s deployed earlier). Without a meaningful arms reduction agreement, we must continue deploying the GLCMs and Pershing IIs. Deploying these intermediate range nuclear forces, capable of reaching the Soviet homeland, will strengthen deterrence by correcting the marked NATO and Warsaw Pact imbalance. Such forces will also strengthen the link between NATO's conventional forces and our strategic forces.

Ground Launched Cruise Missiles (GLCM). The GLCM program demonstrates NATO's resolve by offering a modern, credible deterrence. GLCM gives the theater commander flexibility by permitting him to use his dual-capable fighter aircraft for the conventional role and, if needed, a nuclear role. Because of its mobility, low altitude flight profile, and small radar cross-section, GLCM will complicate the enemy's targeting and defenses, thereby helping the survivability of other allied systems.

The program schedule is on track and GLCM is operational in the United Kingdom. We are proceeding with deployment plans for Italy and other European countries. The $571M in FY 85 procurement funds will buy 120 Tomahawk missiles, launcher hardware, and spare parts. $108.4M is intended for building facilities at the main operating bases, allowing accompanied tours and an improved quality of life for our overseas GLCM support people.

Tactical Command, Control, and Communications (C^3)

As in the strategic area, C^3 is vital for successful tactical operations. We rely heavily on C^3 to coordinate and mass forces where needed. To accomplish battlefield objectives, we must be able to collect and process information efficiently.

As proven in the 1973 Mideast war and Air Force and NATO exercises, jam-resistant air-to-air and air-to-surface UHF and VHF voice communications are essential for effective command and control. To support this requirement, we are requesting $87M for research and development of the Advanced Communication Systems Enhanced JTIDS (EJS), improved HAVE QUICK, and SINCGARS-V.

Data communications are essential for passing large amounts of detailed information throughout the battlefield. The Joint Tactical Information Distribution System will provide jam-resistant, secure communications using a digital data link.

The Joint Surveillance and Target Attack Radar System (Joint STARS) is a new Army and Air Force radar system that will permit integrated real-time detection and attack of second echelon targets. When combined with many of our advanced weapons, Joint STARS will see and strike deep into enemy territory. We are working to select a test bed aircraft and have made no final force structure decision. We are requesting $98M for this program.

We are working with the Marine Corps to develop Modular Control Equipment to upgrade the aging air surveillance and control components of the Tactical Air Control System (TACS). This joint program will improve TACS survivability, mobility, and ability to handle the increased C^3 workload of modern combat. Joining the Marines for this program will avoid redundant research, development, test, and evaluation costs; allow an FY 88 initial operational capability; increase service interoperability; and reduce procurement and life cycle support costs.

Our E-3A Airborne Warning and Control System (AWACS) ensures positive, worldwide command and control of strategic air defense and tactical offensive operations. The E-3A provides mobile, survivable, jam-resistant, wide-area radar surveillance along with sophisticated data processing, data relay, and communications. This system allows us to overcome the limitations of ground-based radars, countering the growing threat from low altitude air attack.

Since 1979, AWACS has proven its value by deploying to Saudi Arabia, Korea, Egypt, the Federal Republic of Germany, and Sudan. AWACS aircraft are located at the main operating base at Tinker AFB, Oklahoma; Kadena AB, Okinawa; Keflavik NAS, Iceland; and Riyadh, Saudi Arabia where it has maintained a continual 24-hour orbit since October 1, 1980. Of the programmed 34 aircraft buy, 31 have been delivered. Because requirements far exceed the capability of this 34-aircraft force, we may in the future request congressional approval for the purchase of additional AWACS.

We must provide the air and ground commanders continuous standoff battlefield surveillence from high-altitude, long-endurance aircraft. The TR-1 will perform this function, and in FY 85 will be equipped with the Advanced Synthetic Aperture Radar

System (ASARS) and other sensors. These sensors, along with associated ground stations, data link, and radio relays, will provide continuous, day-night, all-weather surveillance of the battle area. We are requesting $300M in FY 85 to support this program.

Electronic Combat

To assure we have survivable and effective forces, we must be able to use the full electromagnetic spectrum while denying it to the enemy. To do so, we must emphasize a strong electronic combat (EC) capability to counter, protect, and sustain operations against the enemy. The FY 85 budget includes funding for a mix of destructive and disruptive systems to suppress or destroy enemy radars; jammers; command, control, and communications nodes; and terminal threat weapon systems.

During FY 85, Airborne Self-Protection Jammer (ASPJ) production for F-16C aircraft will begin. ASPJ will provide advanced internal countermeasures for the F-16. Modifications continue for ECM systems on the B-52G and B-52H aircraft. In addition, we are upgrading the ALQ-131 ECM pod to provide additional capabilities and to improve reliability and maintainability for those aircraft without an internal ECM system. We also are continuing to develop and procure new or improved radar warning receivers (RWRs).

The F-4G Wild Weasel is an important near-term, lethal defense suppression system. When equipped with the High Speed Anti-Radiation Missile (HARM), it can destroy emitting enemy radar systems. The Precision Location Strike System (PLSS) will improve combat effectiveness by locating enemy targets in all weather conditions. Under the Pave Tiger expendable mini-drone program, drones will supplement other systems by attacking selected targets.

In the disruptive area, the EF-111A is our only tactical support jamming system to counter enemy early warning, acquisition, and ground controlled intercept radars. The EC-130H (Compass Call) aircraft will counter enemy command and control structures by targeting tactical communications nets. A ground-based system, Comfy Challenge, will target airborne communication and radar systems.

Additionally, we are funding acquisition of improved self-protection systems and updates for existing systems. Finally we are continuing major efforts to improve reliability, maintainability, and sustainability of our electronic warfare systems.

Chemical Warfare

The Soviets consider chemical warfare (CW) one of the strengths of their forces, and are using chemical weapons in Afghanistan, where their enemies have no defenses or means to retaliate. Today the Soviets have almost 100 times more chemical munitions than the US. While the Soviets have between 19 and 50 chemical munitions production plants, the US has no full scale production plant.

Our CW program is designed to deter the Soviets from using this capability. We cannot overemphasize the importance of this program. Until we have an operational CW capability, our theater forces remain at risk, and the nuclear threshold could be lowered by the absence of chemical retaliatory capability.

Our forces must be able to survive and sustain during and after a chemical attack. We do not have enough CW defensive equipment, and current equipment is so restrictive it reduces operational effectiveness. Our FY 85 request includes funding for new gas masks, improved protective gloves and clothing, advanced detection and warning systems, protective shelters, and new decontamination equipment.

As with nuclear weapons, CW deterrence requires a credible retaliatory capability. Our present capability is limited because we cannot engage and degrade deep targets with a persistent agent. We must continue developing and begin procuring binary weapons such as the Bigeye chemical dispensing bomb, and we have included $22M in our FY 85 request for this program. Binary weapons, which do not contain toxic substances until the components are mixed, give us the flexibility, capability, and safe handling characteristics we seek.

V. SPACE

The medium of space offers significant opportunities to expand traditional mission areas. Over the past two decades we have seen space technology grow rapidly. As our knowledge and understanding of this new field have expanded, applications have grown proportionally. Today, both the Soviets and US are dependent largely on spacecraft for warning, communications, and command and control of forces worldwide. New emerging technologies present greater potential for space-based systems. As the trend to exploit space for military advantage continues, we must make full use of the opportunities to support the entire spectrum of missions.

Soviet Space Activities

The Soviets have a large and growing military space program. Over the past decade, they have launched four to five times as many satellites as we have. Seventy percent of their space systems are dedicated to military missions, while another 15 percent have both military and civilian applications. The Soviets have the world's only operational space weapon system: a co-orbital anti-satellite (ASAT) system which poses a threat to many of our important low altitude, civil, and national security satellites. Their aggressive manned space program also has a distinct military emphasis with current and possible applications such as surveillance, targeting, on-orbit repair, and military-related research and development. Left unchecked, this effort could lead to Soviet military dominance in space.

US Military Use of Space

The basic philosophy of Air Force military space doctrine is to use space to support our national security objectives and to ensure free access to space for peaceful purposes for both military and civilian uses. To do so, we must maintain capable and ready forces. If conflict occurs, we must be prepared to use the force necessary to achieve terms favorable to the United States. Our basic military objectives in space are:

- to maintain freedom of space;
- to increase effectiveness, readiness, and survivability of military forces;
- to protect the nation's resources from threats in, through, and from space, and
- to prevent space from being used as a sanctuary for aggression.

The magnitude and direction of the Soviet military space effort demand that we meet these challenges, employing the full range of aerospace assets in our nation's defense. Today we have a technological edge in space systems. The President's initiative to increase the contribution of defensive systems to our strategic deterrent posture provides us an opportunity to capitalize on our lead. This effort is covered in Chapter I under Strategic Defense Initiative. In addition, the Air Force recently published the Air Force Space Plan which reflects our intention to exploit the military potential of space, focus technology development, and redress deficiencies across all mission areas in space. Space Command, established in 1982, is helping ensure we meet these objectives.

Space Command

Space Command links the operational user and the research and development teams that design, build, and launch spacecraft and is addressing the many challenges and opportunities of space. Space Command has operational responsibility for the Defense Support Program (DSP), the Defense Meteorological Satellite Program (DMSP), the future NAVSTAR Global Positioning System (GPS), and the future MILSTAR systems.

Additionally, Space Command will be the operational command for the Consolidated Space Operations Center (CSOC) under construction near Colorado Springs, Colorado. The CSOC will combine satellite control capabilities and DoD Shuttle operations in a single location. There will be a close operational linkage between CSOC and the Space Defense Operations Center (SPADOC) in Cheyenne Mountain, Colorado. SPADOC will become the operational work center for US anti-satellite (ASAT) operations control and will provide CSOC with direct threat assessments and advice on countermeasures.

Unified Command for Space

We have developed the various space programs based on technological advances and mission requirements. However, no single military organization exercises operational authority over military space systems in peace, war, and the transition period from peace to war. To make our space systems more effective and responsive, and to ensure a clear chain of command from the NCA to combatant forces, we proposed a unified command for space. This new command would exercise operational command over US military space systems which provide support to the combatant forces of other unified and specified commands. In the future, space-based systems may become available which will add a truly new dimension to conducting warfare. After an extensive review of command arrangements for space, the Air Force recommends a unified space command be formed soon.

Air Force Space Plan

The Air Force Space Plan is a comprehensive description of the direction we are taking. It has three principal purposes: (1) provide guidance affecting future Air Force investment and management strategy for space activities, (2) provide a vehicle to implement recently issued national and DoD space policy, and (3) identify and resolve issues affecting Air Force use of the space environment.

Other Space-Related Activities

Survivability. Responsive, efficient military space systems with global coverage significantly improve the US deterrent posture. We emphasize space systems' survivability because effective military operations on the modern battlefield are increasingly dependent on satellite surveillance, warning, communications, meteorology information, and navigation. The Air Force endorses a Space System Operation Strategy that fully integrates space systems into the military force structure and provides sufficient survivability of our critical space systems to allow the US time to provide critical support to our forces.

Space Launch Capability. Current space launch systems for military payloads include the Space Transportation System (STS) and expendable launch vehicles (ELVs). The STS (Space Shuttle, associated upper stages, and related facilities including mission control and launch sites) is a vital element of the US space program and is the primary space launch system for national security and civil missions. As the DoD executive agent for the STS, the Air Force is developing the Inertial Upper Stage (IUS), as well as the West Coast Launch and Landing Site at Vandenberg AFB, California. Also, a joint development program is under way with NASA for a common Centaur G upper stage that will boost payloads into high energy orbits exceeding the capacity of the IUS.

While the STS will be our primary peacetime launch system, we are also examining future military space requirements. The Advanced Military Spaceflight Technology (AMST) program will pursue the technologies necessary to provide flexible, responsive, and survivable access to space. FY 85 funding for AMST is $2.8M.

DoD space policy provides for the development and maintenance of complementary launch systems to meet national security requirements. The Air Force is working with other users to develop a plan that would assure access to space for essential satellite programs. The plan calls for the procurement of at least two expendable, commercially available launch vehicles (ELVs) a year for at least five years. FY 85 funding for this effort is $10M.

Space Challenge

Emerging technologies, opportunities for expanded support of a wide variety of missions, and increasing Air Force operational involvement in space require a number of follow-on tasks, to include:

- forming a unified command to increase military effectiveness and responsiveness of space assets;
- supporting further development of the Space Shuttle to provide routine, frequent, and reliable access to space for both military and civilian users;
- developing improved upper stage propulsion units to place Shuttle payloads into higher orbits;
- continuing upgrade of our space surveillance capability;
- continuing development of an ASAT capability to deny Soviet use of their space systems in conflict and as a deterrent against hostile actions in space;
- upgrading training for the people who must operate and maintain increasingly complex space systems;
- improving the survivability of our space systems as well as the support necessary for their employment;
- continuing to support our military forces by improving and upgrading space-based navigation and meteorology assets as well as attendant ground stations;
- ensuring adequate launch capability is available with complementary launch systems--the Shuttle and Shuttle payload-capable ELV as well as commercial backup; and
- maintaining an environment that permits exploitation of new technologies.

Capitalizing on efficiencies and advantages of peaceful military and civilian space operations is vital to our interest.

VI. INSTALLATIONS

The condition of our facilities directly contributes to the Air Force's readiness and sustainability. Runways, taxiways, aircraft shelters, missile silos, launch control centers, and maintenance hangars and shops must be as ready to function during hostilities as our people and weapons systems are. Facilities supporting our people, such as medical facilities, troop housing, dining halls, and community/recreational facilities, provide for basic needs, contribute to the morale and welfare, and help us keep quality people.

Funds for installations maintenance are included in the operation and maintenance (O&M) appropriations. Our O&M funding shortages in the mid-to-late 1970s resulted in a deteriorated physical plant and large backlogs in equipment and facility maintenance. Recent congressional actions have helped reverse this trend; however, we have not corrected the current condition of our installations and facilities maintenance and repair backlog.

Figure 4 shows the dollar amount of the maintenance and repair backlog since 1970. The upward trend is the result of aging facilities, escalating cost of repairs, and failure to keep pace with needed repairs.

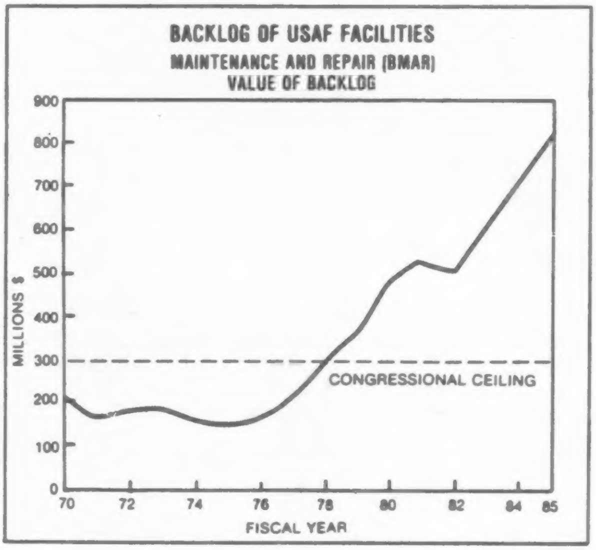


Figure 4

In the continuing effort to make Air Force bases better places for our people to live and work, the Air Force is a voluntary participant in the DoD Model Installation Program. The Model Installation Program will test innovative methods designed to improve the management of base operating support services. Savings generated through innovative management techniques are to be retained by our model bases to upgrade base facilities and services. The Model Installation Program started in January 1984 and will run for three years.

Real Property Maintenance Activities (RPMA)

The Air Force does not have adequate resources to achieve the congressionally-directed $300M containment level for backlog of maintenance and repair (BMAR). The FY 85 request will leave a backlog of over $510M above the containment level. Except for a slight decline in FY 82 the backlog has increased steadily since FY 75. The vast majority of RPMA resources (about 85 percent) are for "must pay" activities such as utilities, crash rescue, fire protection, snow removal, refuse collection, custodial services, rents, leases, etc., and their associated manpower, supplies, and contracts. The impact of general congressional O&M reductions further hinders the upkeep of our aging physical plant. As a result, our facilities deteriorate faster, BMAR increases, and we must delay achieving the congressionally-directed BMAR containment level.

Since 1960 we have decreased our number of bases by 47 percent from 253 to 134 major installations. The result is an efficient and responsive base structure. We anticipate no major changes in the future, except for those facilities required to accommodate the GLCM beddown in Europe and USCENTCOM support in Southwest Asia.

During the 1980s we must modernize our facilities to bring them up to a level consistent with the needs of our people and modern weapon systems. At present, many of our facilities, particularly in overseas areas, are in substandard condition.

The replacement value of our facilities is over $115B in constant FY 83 dollars. Average facility age is 26-30 years, as shown in Figure 5.

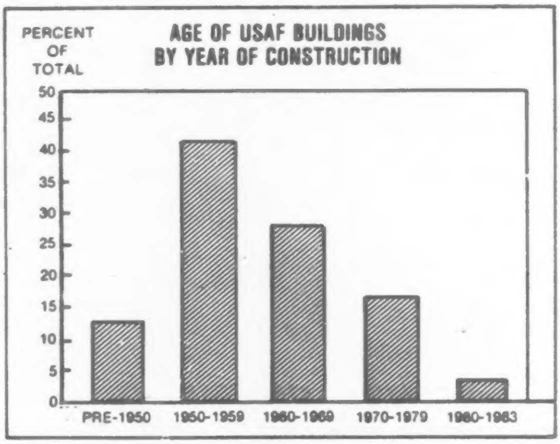


Figure 5

Military Family Housing (MFH)

The MFH fund supports the fundamental needs of all Air Force families by providing housing services. These services include: housing referral assistance; operating and maintaining over 145,000 Air Force owned or controlled family housing units; upgrading or replacing a majority of the existing units that are not energy efficient and lack modern amenities; and acquiring new units through either construction or lease. All of the operation and lease funding and portions of the maintenance funding are for must-pay activities — management, utilities, refuse collection, fixed rent, recurring maintenance, emergency repair and furnishings — and their associated manpower, supplies, and contracts. Improvement and repair funding is required to preserve the substantial capital investment (over $11B) and to upgrade those older units with modern amenities and energy efficiency levels now found in private sector housing. New construction and lease funding corrects existing housing deficits as well as those generated by new missions. Our FY 85 request, totalling $1B, a $228M increase over FY 84, eliminates housing maintenance and improvement backlogs by FY 90 and begins effectively to reduce our large housing deficit.

With today's high technologies, we need more time to train our enlisted people and officers — at ever higher costs. For example, a fighter pilot represents over $1M invested for training. Placing this well-trained member in inadequate or substandard housing only creates discontent and a strong wish to leave the service. Adequate family housing can save substantial sums of money.

Military Construction Program (MCP)

The MCP funds support new and increased missions and readiness as well as quality of life improvements. Our active forces MCP request is broken down into the following categories:

		$Millions	
	FY 83	FY 84	FY 85
Systems Acquisition	492	519	713
Readiness	220	175	188
Quality of Life	257	350	499
Upgrading the Workplace	475	499	580
Planning and Design	107	156	185
General Cost Reduction	0	(-197)	-
Total	1,551	1,502	2,165

The systems acquisition category contains major investments in support of Peacekeeper, Space Transportation System, Space Command, Ground Launched Cruise Missile, Air Launched Cruise Missile, and B-1B. The readiness category includes facilities for USCENTCOM support in Southwest Asia and operational facilities in Europe and the Pacific, such as dispersed aircraft parking, munitions storage, and fuel storage. The next two categories, quality of life and upgrading the workplace, include the facilities where our people live, work, and play such as dormitories, maintenance shops, and gymnasiums. Many of our existing facilities are obsolete and deteriorated. In past years, we have not had enough funds for quality of life and workplace upgrading after higher priority systems acquisition and readiness projects have been satisfied. Therefore, we now have an $8B backlog of these projects. Increased funding for these facilities is reflected in FY 83, FY 84 and FY 85. Further increases projected for FY 86-89 will reduce our backlog to a more manageable level of $3B after FY 89.

VII. OUR PEOPLE

Air Force people are the foundation of our warfighting and readiness capability. We need high quality, trained, and experienced people in all mission areas and programs. Strong and modern strategic nuclear forces, improved readiness and sustainability, more mobility, and modern tactical forces give the Air Force the hardware -- the tools it needs — to carry out the mission. Our people give life to those systems and ultimately determine the course of battle.

The Air Force must be prepared to fight a war in any far-off corner of the world, under weather extremes and against very capable opponents. All too often we look for that "magic" weapon to be the cutting edge of our warfighting machine. In reality, our "magic" weapon is our people — people who are well-trained, who seek and practice innovative tactics, and who apply our country's technological advantages.

We are proud of our recent efforts to streamline people programs to reach the optimum balance between personnel readiness and fiscal economies and efficiencies. For example, the House Armed Services Committee has recognized our Manpower Management Engineering Program as the key factor making the Air Force the "best managed service in terms of manpower." Our manpower determination process limits manpower growth to the absolute minimum required to sustain necessary readiness. Our cost-per-recruit is about half the DoD average. This year's request for reenlistment bonus new payments is 45.9 percent lower than in FY 82 — the results of aggressive management of our bonus program in response to improving retention. We have also reduced the number of permanent-change-of-station moves by 50 percent since FY 74. Over that same period, the time between moves has doubled resulting in a much slower growth rate. These successes reflect the Air Force's continuing efforts to be responsible stewards of the tax-payer's dollars.

The Air Force needs high quality people with technically-oriented skills. During the past year we have been successful in recruiting and retaining these kinds of people; however, we must not misread this success. Strong internal leadership efforts, adequate recruiting resources, high unemployment rates, resurging patriotism, and significant pay increases provided by Congress in FY 81 and 82 all played a part.

We must not ignore the lessons of the past. The current situation parallels one we witnessed in 1975, immediately before the worst military manpower crisis of the last decade. In that year we faced an economic downturn with high unemployment and a pay cap brought on by public pressure to reduce government and defense spending. This situation was followed by a strong economic recovery, two years of pay raise reallocations, and two additional pay caps in 1978 and 1979. The result was that all services failed to meet their non-prior service recruiting goals.

All services suffered alarming losses of experienced career people including pilots, navigators, engineers, and enlisted members in critical skills. Avoiding a recurrence of the "people problems" of the 70s and sustaining our current recruiting and retention successes will continue to be a challenge facing the Air Force. We must take care of our people by providing adequate compensation and entitlements. In return, we will have a trained and motivated combat force.

PERSONNEL MANAGEMENT

A renewed sense of patriotism, increased public support, and increased compensation along with adequate recruiting resources made 1983 the best recruiting and retention year ever for the Air Force. However, growing manpower requirements coupled with congressionally imposed end strength limits pose serious problems for us in FY 85. We need additional skilled people to operate our new equipment and keep our force combat ready. Personnel management challenges, ranging from manpower needs to compensation packages, demand close scrutiny so as not to impair force readiness or combat capability.

Manpower Requirements. Manpower requirements are generated by specific programs such as new weapon systems, readiness initiatives, or increased activity levels of existing operations. Recently, we have not received adequate funding to meet these increasing manpower needs. The FY 84 Authorization Act severed the relationship between end strength and programs by denying 90 percent of our request for additional people while funding every new major weapon system. Coupled with an increasing pressure to reduce overall US manpower levels in Europe, this reduction is of serious concern. The requested FY 84 military increase of 20,100 was already committed to new aircraft, readiness initiatives, and the deployment of ground launched cruise missiles. We had to use existing forces to cover these new requirements.

Our FY 85 request again calls for modernization, expansion, and improved readiness and sustainability of the force. We are minimizing active end strength through increases in the Air Reserve Forces (ARF). However, this alternative is limited as a near-term solution. Peacetime activity levels, forward deployment (and a CONUS rotation base to prevent unreasonable tours of overseas duty), active pilot training requirements, facility constraints, and ARF recruiting potential by geographic area are limiting factors on using the ARF as an alternative to the active force without unacceptably degrading mission capability.

The requested 15,700 military manpower growth for FY 85, a 2.6 percent increase including transfers to the ARF, reflects the minimum essential active force increase. Continued denial of end strength increases associated with funded programs degrades performance and safety, erodes morale, and reduces readiness of the force. If we cannot afford the manpower associated with these vital defense programs, then we need to reevaluate our strategy, programs, and the policies they support.

The request for an additional 4,219 civilians reflects increased emphasis on the ARF because civilian (military) technicians are included in the total civilian number. The 1.7 percent increase also supports increased flying hours, oversight of spare parts acquisition, and expanded logistics surge capability. Like the military increase, these builds are directly associated with specific programs.

Civilian End Strength Ceiling. Imposition of both a fiscal ceiling and a civilian end strength ceiling is redundant and unnecessary. The historical effect of artificial ceiling constraints and congressional denial of civilian end strength increases has severed the relationship between programs and the manpower needed to support them. The force structure is building and we require civilian manpower resources to support it. The FY 85 civilian manpower request represents the minimum essential level of civilians required to support a credible deterrent force.

European End Strength Ceiling. The most serious near-term problem faced by our Air Force in Europe is the troop strength ceiling. The potential for across-the-board impact on force structure, modernization, readiness and sustainability areas is serious. Tradeoffs to remain within the imposed ceiling for FY 84 include cancelling RED HORSE manpower positions destined for the Southern Region, transferring OV-10s to CONUS, reduction in manpower slots for the NATO prepositioning program (PPP), and others. These tradeoffs will begin to affect programmed force structure growth directly unless we get relief from the troop strength ceiling.

Our manpower requirements are based on a balance of active, civilian, and reserve military people with the proper mix of skills and experience to accomplish peacetime training and to meet wartime combat requirements. The manpower request in the FY 85 budget results from careful use of scarce resources. Reducing this request will damage our ability to maintain a credible deterrent force.

General Officer Issues. An area of special concern is general officer position management. The congressionally imposed ceiling on general and flag officers has severely constrained our ability to effectively manage senior leadership requirements. The current general officer strength ceiling prevents us from filling over 200 validated positions in operations, intelligence, transportation, rescue and recovery, and the Civil Air Patrol—many previously filled by general officers. The comprehensive legislation now pending in Congress will establish much of the framework needed to control and monitor general officer requirements. In the interim, unless we receive grade relief, the Air Force must ask Congress to extend or make permanent the exemption granted in the FY 84 Authorization Bill, allowing the Air Force to assign a four-star general as commander of one of our major overseas combatant commands.

Recruiting. Adequate manning is the key to force readiness. The objective of our recruitment program is to provide enough highly qualified and motivated people to support Air Force manpower requirements and ensure readiness. In FY 85, we must recruit 69,800 enlisted people and 5,200 officers.

Air Force recruiting efforts have been very successful in recent years, yet we continue to experience shortages in such critical areas as the engineer and critical specialty physician career fields. As the economy continues to improve, private sector competition for highly qualified, technically-oriented people will increase. This problem could become even more acute as the 18-year-old population declines in the coming years and the services face stiffer competition from the private sector for high quality, high school diploma graduates. If our current recruiting efforts fail, the progress achieved during the last few years will erode and our ability to meet future manpower requirements will be jeopardized.

Women are an important part of the Air Force. We have the highest female representation of any service. Women will have increased from 2.3 percent of our total active force in FY 72 to 11.6 percent by the end of FY 87. Women now serve as pilots, navigators, missile launch officers, flight engineers, loadmasters, and in positions throughout the maintenance and support areas.

To meet our future manpower requirements, we need to continue attracting and retaining high quality volunteers. The task will not be easy. Congressional leadership will continue to perform a critical role by providing resources and influencing public attitudes toward national defense and the opportunities the military offers young people. Congressional support is fundamental to maintaining the effectiveness, dignity, and status of the armed forces.

Retention. Retaining high quality, trained, and experienced people remains our top priority. It is the key to Air Force combat capability. However, we expect reenlistment rates to decline in FY 85 as the economy continues to recover and competition for manpower increases from the civilian sector. This increased competition will hurt our ability to retain quality, skilled people, particularly those in technically-oriented fields most critical to the Air Force.

Military Compensation. Military pay must be fair, equitable, and keep pace with the private sector if we hope to compete for quality volunteers and retain an experienced military force. The 1980 and 1981 pay raises were key factors contributing to the dramatic improvements in recruiting and retention. For the first time in a decade, military members saw their pay restored to the relative level of comparability with the private sector.

While the military compensation system is intended to provide military members a reasonable standard of living, it is also designed to help instill vital institutional values — cohesiveness, esprit de corps, and dedication to the mission above self — essential in any military organization. Since our mission is to be prepared to fight and win wars, our compensation system must include features different from those in the private sector, e.g., housing and food allowances, stable retirement system, medical care, etc. The current pay and allowances system, with its unique institutional supports, has been tested in peace and war. It works exceptionally well when allowed to function as designed, and we should continue it.

Selective Reenlistment Bonus (SRB). The SRB is designed to increase reenlistments in critical skills. With the help of the SRB, we achieved high reenlistment rates, retained valuable skilled people, kept pace with force growth, and started to close the gap between requirements and inventory. Our FY 85 SRB budget is $93M, of which approximately $44.9M is for new payments and the remainder for installment payments due those who reenlisted in previous years, — a substantial reduction over last year since we removed 31 skills from the SRB lists. Most SRB skills fall in the aircrew, intelligence, communications, computer, maintenance, and engineering career fields.

We are using the SRB in many cases to regain lost experience and accelerate progress on meeting force growth. We need to maintain bonus skills and continue our progress in replacing lost experience and meeting force growth in critical skills. Air Force retention rates are high for first and second term airmen because SRBs help boost this retention. Despite this improvement, we may have to increase SRBs in the future as the economy and job market improve.

Training and Education. Training and education are essential to develop the skills, knowledge and attitude Air Force people need to perform their duties. They benefit the member and provide a better qualified person to serve the Air Force. We have the free world's largest training complex that provides basic military, technical, and initial flying training — as well as undergraduate, graduate, professional military, and continuing education programs for our members.

We must continue providing meaningful training and education opportunities through high caliber institutions and programs such as the Air Force Academy, Air University, Air Force Institute of Technology, the Community College of the Air Force, and the various NCO Academies available throughout the Air Force. Training and education continue to be effective recruiting and retention tools.

Contracting Out. The Air Force considers contracting out a sound and efficient means of doing the job. It frees our active duty people to perform more mission-related tasks. As a result, we had 78,000 manyears in commercial activities at the end of FY 83. Also, we have identified almost 17,000 Air Force spaces for cost comparison and possible conversion to contract. Since FY 79, 150 cost studies resulted in the in-house method being more economical (3700 spaces) and 250 cost studies revealed that contracting out was more economical (7200 spaces). In progress are 350 cost studies involving 6000 spaces.

This aggressive approach has brought the Air Force to a level of contracting out at which national defense considerations become overriding — further large scale contracting out could degrade readiness and our ability to respond to wartime taskings. Therefore, we discourage the use of contracting quotas, while supporting a moderate contracting out program. This program will continue to examine critically each activity according to its wartime role before certifying it eligible for contract. Each service needs to have the prerogative of determining whether an activity is eligible for contract, considering the proper in-house manpower mix necessary to maintain readiness.

QUALITY OF LIFE.

The military profession places unique demands on our people and their families. Institutional demands like terms of enlistment, extended tours abroad, 24-hour availability, frequent moves, family separation, and compliance with military standards, discipline, and law are integral parts of the military's prime mission — combat operations.

Service in the military is not predicated on a formal written contract and rules of negotiation (e.g., union grievance, arbitration) as in the private sector, nor should it be. The military member accepts, as a condition of service, that the institution will provide elements of job security, financial compensation, and family needs, to include assurance that living conditions will be reasonably comparable to civilian life. Failure of the institution to meet those needs hurts the institution as well as the member.

The military services provide for quality of life needs through commissaries, exchanges, housing, dining halls, medical and dental care, and retainer pay in the form of retirement entitlements. Attempts to reduce or eliminate these institutional programs have a severe, detrimental effect on recruiting, retention, and readiness, and undermine those values essential for success in battle. We must demonstrate that our people's quality of life needs will be met so they can dedicate full attention to mission requirements.

Permanent Change of Station (PCS) Reimbursements. A major factor affecting retention is the inadequate reimbursement to members for costs they incur when directed to move from one base to another. What used to be a routine event, often looked forward to as a new, exciting challenge, has become a major career decision for many of our people because of the significant out-of-pocket expenses incurred. This problem strongly affects retention. A recent survey showed that nearly one in four eligible service members would retire in lieu of making a move.

Ironically, military people, whose only choice is to accept transfers or leave the service, must absorb these financial penalties and significantly reduce their standard of living. A 1983 Air Force survey showed that the median, unreimbursed out-of-pocket moving costs (excluding home ownership costs) were $1,969 for junior officers (O-1, O-2, and O-3), $3,258 for senior officers (O-4, O-5, and O-6), $1,510 for mid-grade enlisted members (E-4, E-5, and E-6), and $2,395 for senior enlisted members (E-7, E-8, and E-9). In addition, the survey indicated that over half of all members had to borrow or withdraw money from savings to meet routine PCS expenses.

Congress and the DoD have worked to improve this situation in the past and this budget contains further improvements; however, much more needs to be done. A priority for FY 85 is to fund increases in the mileage allowance paid to military members. The increase would provide 15 cents per mile instead of the current 13 cents and would match federal civilian employees. Even 15 cents per mile is little more than half of the true cost of car mileage shown by many studies. Also, we will ask for increases in the maximum weight of household goods shipments to partially correct a long-standing deficiency in this area. In addition, the DoD Legislative Contingency Program proposes a modest PCS improvement package of new initiatives for FY 85. This package includes funding for a second dislocation allowance when the member is forced to relocate household effects twice on one PCS order.

Variable Housing Allowance (VHA). The VHA was established to help Uniformed Service members defray excessive housing expenses in the CONUS. It worked as intended only in FY 81 and FY 82. As a result of two years of congressional VHA reductions, our people are again incurring substantial financial penalties when ordered to duty in high housing cost areas. The recent total housing allowance ceiling (i.e., BAQ plus VHA) of $800 for members with dependents and $600 for those without dependents has deepened the problem. About 600 Air Force officers were forced to take a housing allowance cut, up to $1,500 annually below FY 83 levels. The FY 84 limitations create serious inter-service inequities since they do not apply to the Coast Guard, Public Health Service, or the National Oceanic Atmospheric Administration. Consequently DoD members will have $9-$130 less per month to meet their housing expenses than their non-DoD counterparts. We fear these housing allowance restrictions will hurt efforts to improve quality of life for service people, add to the growing reluctance to move, and undermine retention.

Tax Exempt Status of Military Allowances. The IRS has proposed to reduce a military homeowner's valid housing deductions (real estate tax, interest, etc.) by an amount equal to nontaxable housing allowances (BAQ, VHA, rent plus). The Air Force, other services, JCS, and DoD all strongly oppose the ruling because it will impose a severe financial burden on some 300,000 military homeowners. The proposed IRS ruling would be the equivalent of a 4-9 percent pay cut. Tax liability would increase as much as $800/year (E-5) and more than $4,000/year for more senior members. The IRS proposal is on questionable legal grounds because tax exempt status of military allowances is established by court decisions and Congressional intent. Congress defined tax advantage as an integral portion of Regular Military Compensation (RMC), which is generally regarded as the military equivalent of private sector salary. Thus, RMC is used in comparisions of military and private sector compensation. Elimination of tax advantage adversely impacts such comparisions. In late December 1983 the Treasury Department directed a comprehensive legal review of the issue. Treasury further indicated that no adverse action would be taken against military people before the tax year which will begin on January 1, 1985.

Aviation Career Incentive Pay (ACIP). Aviators are the most expensive-to-train people, comprise one of the most difficult-to-retain career fields, and carry a large share of the direct defense of this nation. The Aviation Career Incentive Act of 1974 was designed to attract and retain skilled aviators. Following the disastrous retention rates of the late 1970's, DoD asked for, and the Congress enacted, legislation increasing incentive pay. This additional incentive, along with reduced airline hiring and national economic conditions, has resulted in excellent aviator retention. However, as economic and employment conditions change, retention may drop. We cannot overstate the impact we would suffer if either the career incentive or the income stability of the ACIP were reduced. Current ACIP levels provide the highest payments during the heaviest flying and retention-critical years. ACIP, as a career incentive, continues for rated officers assigned to non-flying management, engineering, and war planning positions. Reduced ACIP will cause a decline in retention resulting in reduced experience levels and degraded combat capability. In addition, ACIP reductions will cause multifold increases in training costs which will far exceed any small, short-term savings.

Military Retirement Program. Another critical element in the retention equation is the military retirement system. Despite its significant influence on force structure and career retention, the retirement program has come under repeated attack. Although no major restructuring of the retirement system has occurred, several changes have been made which erode the value of the retirement system. These changes ignore the uniqueness of military retirement pay; it is not like a pension, it is a conditional entitlement, and members must be available for recall and continue to abide by the Uniform Code of Military Justice. Also, critics ignore the extraordinary conditions experienced during a military career: long hours without overtime pay, frequent moves with inadequate reimbursements, enforced family separations, exposure to risk, abridgement of certain freedoms (speech, political activities, employment limitations), disciplined lifestyle, and strict moral and physical standards.

In recent months, additional proposals have been offered that further degrade the system. These proposals have heightened our people's apprehension, and if enacted, would adversely affect those presently serving on active duty, reinforce the perception that retired pay is fair game for continual change, and do irreparable damage to our most important retention incentive.

In the final analysis, because the services still suffer from shortages of skilled officers and enlisted members in critical combat, operational, and sortie generating roles, we can ill-afford to weaken the retention gains now accruing from the recent compensation improvements. Above all, the military retirement system must be such that we are able to maintain a combat-ready force.

Health Benefits. Health care is a major factor in the career decisions of many Air Force members. Deficiencies in our present program affect both wartime readiness and peacetime morale of Air Force people.

Expanding direct care during peacetime strengthens our wartime capability, just as meeting wartime medical readiness manpower requirements, in most cases, will significantly improve peacetime access to health care for all beneficiaries. Specifically, we seek to increase our physician and support staffs as well as improve our construction program to provide facilities more suited to meeting the demands of the total beneficiary population.

Improving our peacetime capability saves the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) dollars, since military treatment facilities can provide corresponding care at lower cost. We are working with DoD and the Congress to contain CHAMPUS costs without damaging readiness. Actions designed to reduce CHAMPUS expenditures should not be accomplished at the expense of our primary mission and should not eliminate or erode CHAMPUS benefits.

Civil Service Retirement System. We are also concerned about the Civil Service Retirement System (CSRS). Next to pay, the most important recruiting and retention benefit for our civilians is the CSRS. Some recent changes to the CSRS will achieve economies and may improve program administration. Other changes, however, will cause inequities to employees, retirees, and their survivors.

The 1983 Social Security Act provided that federal employees hired after 1 January 1984 would be covered by the Social Security System. This financial burden would have impaired our ability to attract and retain a quality civilian workforce; however, Congress passed interim legislation easing this burden on new federal employees. Extreme care should be taken when the new pension system is designed in order to supplement the social security system coverage that began January 1, 1984. Although the CSRS must be based on sound financing, any changes to the CSRS also must consider the short- and long-term impact on federal public service employment.

Air Force Families. Air Force families face demands not routinely associated with civilian life. These include frequent moves, repeated separations, long and unusual hours, and member participation in hazardous missions. Most Air Force families are coping well. Studies show that the attitudes of family members and their satisfaction with Air Force life are major factors in career decisions and member attitude, morale, and productivity.

The Air Force recognized the needs of our families by opening base-level Family Support Centers to provide centralized, one-stop service to family members. These centers supply information, referral, and coordination including PCS relocation assistance, spouse employment information, aid for families in crisis, support during family separation, financial managment education, programs for special needs, and family development education.

Recent evaluations of Family Support Centers indicate they are having a positive effect on members' productivity and are greatly helping commanders handle numerous, often complex, family-related issues. With full funding, we will have 43 Air Force-sponsored centers by the end of FY 85.

Commissaries. Commissaries in the US and overseas are a major advantage of military service and are part of the total compensation package. Eliminating these activities would have a significant, adverse effect on active duty members, retired military people, disabled veterans, and their families. Across DoD over 951,000 married careerists rely on commissaries. Additionally, commissaries are especially important to many junior enlisted families hard-pressed to make ends meet, over 39,000 widows of Air Force members, and over 139,000 totally disabled veterans who are eligible to use commissaries. Service members would view the loss of commissary savings, tantamount to a paycut, as a serious breach of contract; such a loss would negatively affect retention and readiness.

VIII. TOTAL FORCE

The Air Force, including all active duty, civilian, and reserve components, is organized, trained, and equipped as a team. By working together we maintain the warfighting capability our nation needs to deter our enemies and, if necessary, to fight and win.

Active duty, Guard, and Reserve military forces perform combat and direct combat support missions, while full-time civilians are assigned to essential support functions. Air Force civilians are an integral part of our Air Force because they provide an essential element of continuity, stability, corporate memory, and expertise. Together, the military and civilian components satisfy the requirements for deterrence, peacetime presence, and immediate response in a crisis, national emergency, or war.

Active and Air Reserve Forces Mix. The Air Reserve Forces (ARF) — the Air National Guard and the Air Force Reserve — have always been key components of the USAF. Today the ARF makes significant contributions to security and military readiness.

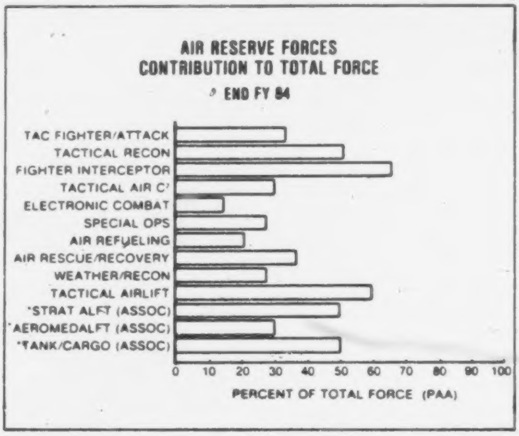
The magnitude of the Soviet threat, its proximity to US vital interests, and modern transportation systems have reduced the time before we would need reinforcements for our active forces. The United States has based air and ground forces in Europe and Korea and advanced deployment times for active duty and reserve units. As a result, the US concept of a reserve force has gradually changed from a force held in reserve, having substantial time to complete mobilization and training, to a force constantly ready and available to reinforce our active force. The Total Force concept and the All Volunteer Force dramatically affected this modern role of reserve forces in the early 1970s. Today the Air Force is the leader in making the Total Force policy work and has successfully integrated both the Air National Guard and Air Force Reserve into training exercises and actual war plans. This mix of active and reserve forces strikes a balance among national priorities, fiscal realities and the capability to meet a growing threat. Today our Total Force concept lets us:

- respond to low level contingencies without mobilization,
- surge military capability during national crises,
- maintain a significant reserve military capability rather than sustain all necessary active military forces, and
- retain experienced and highly trained people who would otherwise leave the force.

In recent years, the ARF has assumed an increasing share of Total Force responsibilities. Since 1972, we have reduced active manpower by 16 percent, while ARF manpower has grown 33 percent. Today, the ARF contributes nearly 25 percent of total Air Force flying and mission support capabilities (see Figure 6).

The Five Year Defense Plan (FYDP) continues ARF growth in the Total Force from FY 84 through FY 89. During this period, ARF aircraft authorization will increase and the percentage of ARF manpower growth will be twice as large as the active increases during the same period. In addition, the ARF will receive more modern weapon systems and equipment in all mission and mission support areas.

Recent congressional action denied active and civilian force manpower increases and encouraged greater use of our reserve components. We are working to identify new and expanded missions for Air Reserve Forces, while closely weighing the factors involved in force mix decisions. The ARF depends on trained, experienced, prior-active service people to support their missions. Consequently, ARF capability depends on the active force for initial training, equipment, logistics support, and a recruiting base of prior-service people. Active force units can sustain high peacetime activity rates and train in a variety of disparate missions, while ARF units, manned by mostly part-time people, focus on a specific mission. Random force mix changes will severely affect the ability of the Total Force to meet our peacetime and wartime requirements.



*Represents percentage of aircrews

Figure 6

The active force also provides rated people for operations, planning, inspection, training, and other staff support for the Total Force. Loss of "cockpit" slots in the active force would degrade our ability to train and provide experienced pilots to meet Total Force requirements. Also, ARF growth at the expense of the active force could reduce flexibility in other ways. We cannot station ARF people outside the US. Transferring forces to the ARF could affect the number of active force people available to serve overseas. That would erode our responsiveness to worldwide crises and create morale problems for the active force through more frequent overseas commitments and family separations. Lower retention in our active force would rapidly offset any costs we save by transferring forces to the ARF.

The Air Force will continue to be the Total Force leader as we evenly modernize and expand the ARF. For the last decade we have included the ARF as an integral part of our modernization and expansion, and will continue to look for opportunities to expand their role.

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This report presents the current posture of the Air Force, as well as our programs to fulfill the nation's air power requirements. The FY 85 budget will allow us to take the steps necessary to recruit and retain the quality people we need to modernize and sustain our quality force. We look forward to working with the Congress during the review of our FY 85 budget, for only through close cooperation and a strong sense of common purpose can the best interests of the nation be served. Additional figures and tables supporting our programs follow.

IX. FIGURES AND TABLES

FIGURES (CONT'D)

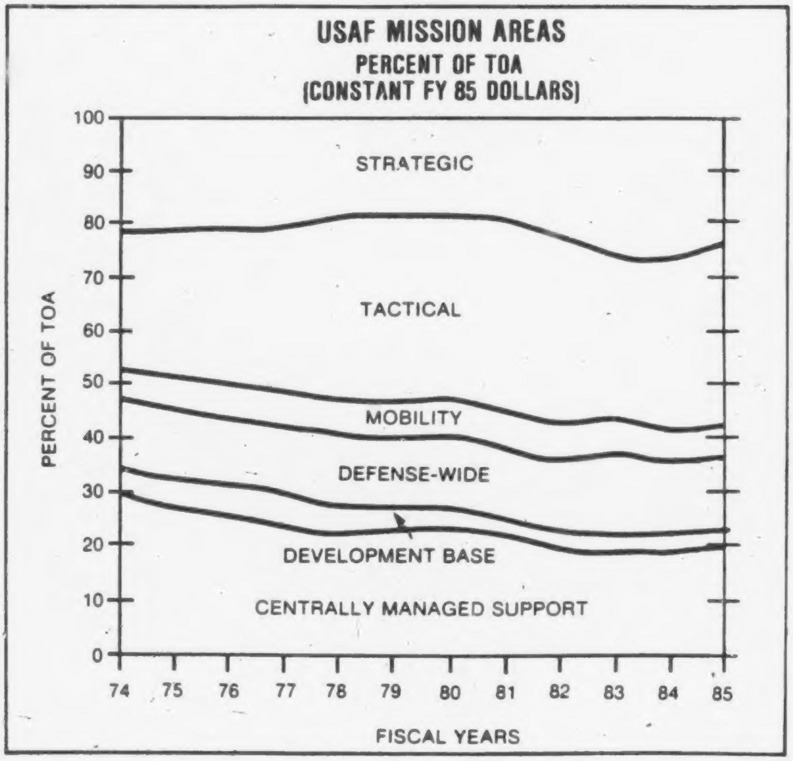
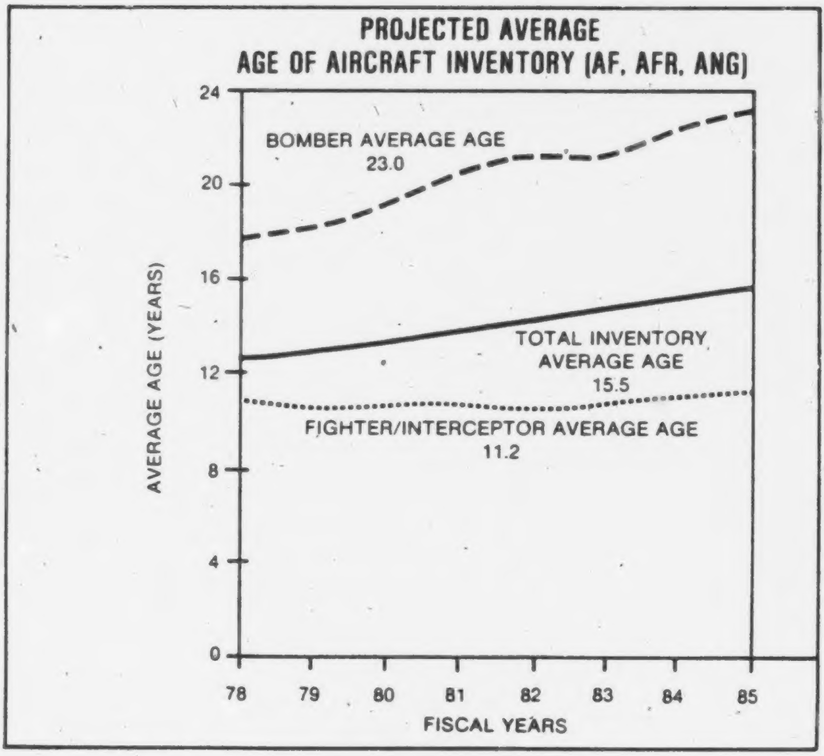


FIGURE 7



PROJECTED AVERAGE AGE OF AIRCRAFT INVENTORY (AF, AFR, ANG)

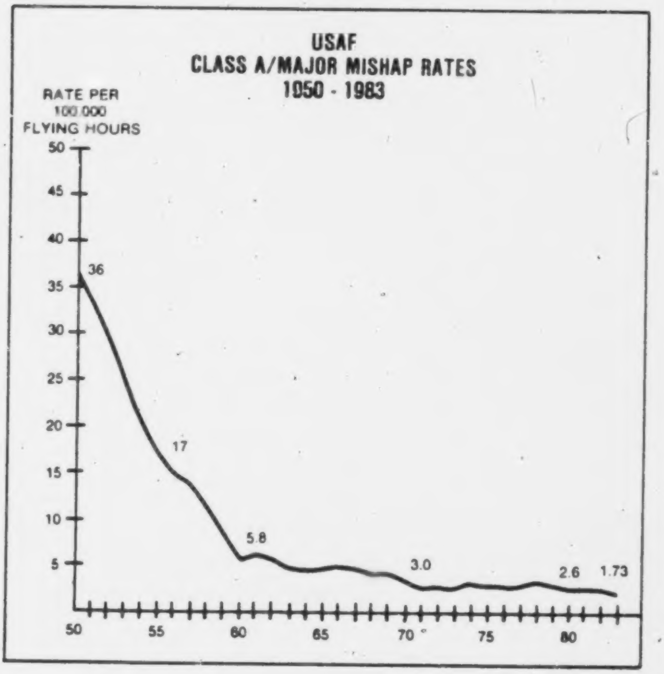

USAF
CLASS A/MAJOR MISHAP RATES
1050 - 1983
RATE PER
100,000
FLYING HOURS
50
45
40
35
30
25
20
15
10
5
36
17
5.8
3.0
2.6
1.73
50
55
60
65
70
75
80

FIGURE 9

TABLE A
TOTAL OBLIGATIONAL AUTHORITY (TOA)
(Million of $)

	FY 83	FY 84#	FY 85
RDT&E	10,621	12,221	14,401
Procurement			
Aircraft	17,298	21,388	28,676
Missile	4,807	7,812	9,820
Other	5,512	6,896	9,562
Military Construction*	1,715	1,707	2,336
Military Personnel*	13,111	13,898	19,255+
Operation and Maintenance*	19,755	20,639	22,980
Stock Fund	162	1,289	666
Family Housing**	925	805	1,032
TOTAL TOA***	73,906	86,344	108,728

* Includes active and reserve
** Family Housing included in TOA effective FY 83
*** Totals may not add due to rounding
+ Includes 4,862 for retired pay accural
# Includes 1984 Supplemental

TABLE B
PERSONNEL END STRENGTHS
(In Thousands)

	FY 83	FY 84	FY 85
Active Duty Military	592.0	594.5	610.2
Civilian			
Direct Hire	238.2	236.2	240.1
Indirect Hire	13.0	13.3	13.6
Selected Reserve			
AFR	67.2	69.9	74.8
ANG	102.2	104.1	107.9

Personnel Costs
(Millions of $)

	FY 83	FY 84	FY 85
Active Duty Military*	12,216	12,905	17,800
Civilian	6,102	6,370	6,598
Selected Reserve**			
AFR	361	389	566
ANG	534	604	889
AF Total	19,213	20,268	25,853

* Includes Active, Guard and Reserve

** ROTC and Health Professions Scholarship Programs are included in the Air Force Reserve program.

TABLE C
SELECTED KEY PROGRAMS*

(Millions of $)

FY 85

	RDT&E	PROC	(QTY)	TOTAL
Aircraft (3010)(3600)				
B-1B	508	7,103	(34)	7,611
F-15	83	2,053	(48)	2,136
F-16	83	3,748	(150)	3,831
E-3A (AWACS)	77	0	(0)	77
C-20A		55	(3)	55
T-46A		127	(10)	127
HH-60D/E	81	23	(0)	104
Range Control		16	(2)	16
Tac Ftr Deriv	147	27	(0)	174
MC-130H		93	(2)	93
TR-1/U-2	0	211	(4)	211
B-52 (Modernization)	22	574	(0)	596
KC-135R (Modernization)	0	944	(53)	944
C-135 Modifications	4	1,055	(0)	1,059
C-5B	0	2,099	(10)	2,099
KC-10	0	647	(8)	647
C-17	129	0	(0)	129
Missiles (3020) (3600)				
ALCM	28	74	(0)	102
GLCM	19	571	(120)	590
Peacekeeper/Small Missile	2,441	2,939	(40)	5,380
AMRAAM	218	413	(174)	631
IIR Maverick	0	565	(4,500)	565
Space Systems (3020)(3600)				
NAVSTAR GPS	103	340	(6)	435
Space Shuttle	346	138	(0)	484
DSCS	32	291	(2)	291
AFSATCOM (MILSTAR Terminals)	142	0	(0)	142
Def Sup Prog	64	148	(0)	212
MILSTAR	325	0	(0)	325

* Does not include weapon system initial spares

TABLE D
RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RDT&E) BY CATEGORY

(Millions of $; funds in parentheses show funding for selected major systems)

	FY 83	FY 84	FY 85
STRATEGIC PROGRAMS	4,539	5,484	6,069
B-52 Squadrons	(91)	(76)	(22)
KC-135 Squadrons	(27)	(9)	(4)
ASMS	(50)	(74)	(108)
ALCM	(167)	(38)	(28)
AFSATCOM (MILSTAR Terminals)	(43)	(176)	(142)
Peacekeeper/Small Missile	(2,407)	(2,452)	(2,441)
MM Improv	(7)	(5)	(5)
B-1B	(754)	(737)	(508)
MILSTAR	(118)	(148)	(325)
TACTICAL PROGRAMS	2,140	2,201	2,954
GLCM	(28)	(36)	(19)
CASWS	(4)	(2)	(0)
F-15	(118)	(108)	(83)
F-16	(72)	(104)	(83)
AWACS	(67)	(63)	(77)
INTELLIGENCE AND COMMUNICATIONS	1,392	1,608	2,018
Defense Sat Comm System	(42)	(40)	(32)
NAVSTAR GPS	(123)	(127)	(103)
TECHNOLOGY BASE	696	727	778
ADVANCED TECHNOLOGY DEVELOPMENT	415	557	584
DEFENSE-WIDE MISSION SUPPORT	1,438	1,643	1,999
Space Shuttle	(356)	(334)	(346)
Space Booster	(15)	(15)	(20)
Space Launch Support	(16)	(34)	(94)
TOA*	10,621	12,221	14,402

* Total TOA and subtotals do no add as all systems are not included.

TABLE E
MISSILE PROCUREMENT*

(Number of missiles in parentheses)
Millions of $

	FY 83	FY 84	FY 85
Minuteman C^3I	0	31	0
Peacekeeper/Small Missile	0	(21) 2,080	(40) 2,939
GLCM	(84) 447	(120) 581	(120) 571
ALCM	(330) 491	(240) 400	(0) 74
Sidewinder	(1920) 97	(1700) 103	0
Sparrow	(1187) 197	(1005) 182	0
AMRAAM	0	(0) 58	(174) 413
Maverick	(900) 243	(2300) 300	(4500) 565
HARM	(129) 72	(285) 176	(871) 326
Rapier/NATO Air Base Def	148	263	8
Stinger	0	(108) 5	(156) 13
Harpoon	0	0	(85) 40
Target Drones	40	30	38
Tac Drones	(100) 24	(400) 48	(505) 39
Modifications	95	137	162
Spares & Repair Parts	190	332	640
Space Programs	1,244	1168	1,299
Special Programs	1,491	1,893	2,662
Industrial Facilities	27	26	31
TOA**	(4,650) 4,807	(5,883) 7,812	(6,467) 9,821

* Reflects weapon system cost

** Totals may not edd due to rounding

TABLE F
AIRCRAFT PROCUREMENT*

(Number of aircraft in parentheses)
Millions of $

	FY 83	FY 84	FY 85
Range Control Aircraft	0	0	(2) 16
C-12D	0	(6) 12	0
C-20A	0	0	(3) 55
WIBDAC	(3) 145	0	0
B-1B	(7) 3,868	(10) 5,572	(34) 7,103
TAC Ftr Derivative A/C	0	0	(0) 27
A-10	(0) 65	0	0
F-5	(3) 18	0	0
F-15	(39) 1,382	(36) 1,401	(48) 2,053
F-16	(120) 1,905	(144) 2,345	(150) 3,748
MC-130H	(1) 36	(2) 66	(2) 93
KC-10A	(8) 891	(8) 742	(8) 647
C-5B	(1) 789	(4) 1,304	(10) 2,099
E-3A (AWACS)	(2) 128	(0) 76	0
TR-1/U-2	(5) 174	(5) 172	(4) 211
C-130H	(4) 65	(10) 171	0
C-130H (Ski-Equipped)	(4) 105	0	0
EDSA	(2) 5	(16) 33	
T-46A (NGT)	0	(0) 6	(10) 127
H/HH-60D	0	0	(0) 23
Modifications	2,463	2,626	3,382
Aircraft Spares & Repair Parts**	3,528	4,609	5,990
Support Equip & Facilities	1,731	2,253	3,104
TOA***	(199) 17,298	(241) 21,388	(271) 28,677

* Weapon system costs
** Includes initial and replenishment spares
*** Totals may not add due to rounding

TABLE G
OTHER PROCUREMENT
(Millions of $)

	FY 83	FY 84	FY 85
Munitions and Associated Equipment	760	864	1,425
Vehicular Equipment	347	314	442
Electronics and Telecommunications	1,330	1,680	2,693
Other Base Maint and Support and Selected Activities	3,075	4,037	5,003
TOA*	5,512	6,896	9,561

* Totals may not add due to rounding

TABLE H
OPERATION & MAINTENANCE
(Millions of $)

	FY 83	FY 84**	FY 85
Strategic Forces	3,075	3,041	3,223
General Purpose Forces	3,760	3,857	4,138
Intelligence and Communications	1,421	1,726	2,225
Airlift	1,158	1,225	1,309
Central Supply and Maintenance	5,419	5,384	6,701
Training, Medical and Other	1,943	1,958	2,064
Administration and Assoc Activities	395	532	566
Operation and Maintenance/ Guard & Reserve	2,577	2,597	2,746
Support of Other Nations	7	8	8
TOA*	19,755	20,328	22,980

* Totals may not add due to rounding

** Includes FY 84 Supplemental

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1985

THURSDAY, FEBRUARY 23, 1984

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

COMMANDERS OF THE UNIFIED COMMANDS

The committee met in open session pursuant to notice, at 10:04 a.m., in room SR-222, Russell Senate Office Building, Senator John Tower (chairman) presiding.

Present: Senators Tower, Thurmond, Goldwater, Quayle, Wilson, Nunn, Exon, Levin, Kennedy, Bingaman, and Dixon.

Staff present: James F. McGovern, staff director and chief counsel; Arnold L. Punaro, staff director for the minority; Alan R. Yuspeh, general counsel; Patrick A. Tucker, counsel; Christine C. Dauth, chief clerk; L. Wayne Arny III, Richard D. Finn, Jr., Drew A. Harker, William E. Hoehn, Jr., George K. Johnson, Jr., James R. Locher III, David S. Lyies, Bruce D. Porter, Mark B. Robinson, James C. Smith III, and John G. Campbell, professional staff members; Judith A. Freedman, research assistant; Marie Fabrizio Dickinson and Patricia L. Watson, staff assistants.

Also present: Gerald J. Smith, assistant to Senator Goldwater; Les Brownlee and Guy L. Copeland, assistants to Senator Warner; Ronald P. Kelly, assistant to Senator Humphrey; Dale F. Gerry, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Henry J. Steenstra and Bernard R. Toon, assistants to Senator Quayle; Mark J. Albrecht, assistant to Senator Wilson; Mary A. Shields, assistant to Senator Stennis; Jeffrey B. Subko, assistant to Senator Exon; Peter D. Lennon, assistant to Senator Levin; James Steinberg assistant to Senator Kennedy; Michael A. Fainberg and M. Jon Beard, assistants to Senator Bingaman; and Charles C. Smith, Jr., assistant to Senator Dixon.

OPENING STATEMENT OF SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

Today we are continuing our series of posture hearings on the fiscal year 1985 Defense budget and we have the unique opportunity to hear from the operational commanders who have responsibility for executing military plans throughout the world, if called upon to do so by the National Command Authority.

This morning we will hear from Adm. Wes McDonald, Commander in Chief, U.S. Atlantic Command; Gen. Paul Gorman, Commander in Chief, U.S. Southern Command; and Gen. Howard Stone, the Chief of Staff, U.S. European Command. General Stone is representing General Rogers who is unable to be here due to current activities in Lebanon.

This afternoon we will hear from Adm. William Crowe, Commander in Chief, U.S. Pacific Command; Gen. Bob Kingston, Commander in Chief, U.S. Central Command; and Gen. Wallace Nutting, Commander in Chief, U.S. Readiness Command.

I have asked each of the CINC's to present an overview of his command and to highlight the important issues in his region of the world. I have also asked each to tell us briefly which programs in the budget are most important to his operation.

I would propose to hear first from each of the witnesses—without interruption—in the order that they appear on the hearing notice. The CINC's would then be open to questions under our normal 10-minute rule.

This is an open hearing and I want to keep it open to the extent that we can. If we get into classified matters, I will look to the witness to so advise the Chair, and we will hold classified discussions until the end of each session and then go into closed session, if necessary.

I want to thank our witnesses in advance for appearing today. We look forward to the insights that you, as the commanders who may be called upon to carry out our military policy, are uniquely qualified to provide.

Let me defer to Senator Nunn for any opening remarks he may have.

Senator NUNN. Thank you very much, Mr. Chairman.

Mr. Chairman, I want to join you in extending a warm welcome to the commanders of the unified commands to the committee this morning.

As the committee continues its review of the programs in the fiscal year 1985 Defense budget, it is important that we have an understanding of how the programs we are considering will actually affect our military forces in the field.

The testimony of the commanders of the unified commands, with their firsthand, up-to-date knowledge of the operational forces under their command, will help the committee gain this understanding.

I congratulate the chairman for scheduling a full day of hearings with the commanders.

In our postures with the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Service Secretaries and Service Chiefs, I have mentioned several general questions which I thought the committee should be asking Defense Department witnesses this year.

Whether we have a credible, national military strategy based on realistically available resources?

What tangible results the military services can point to from the large increases in defense spending in the last 3 years; and what are the most important national defense priorities toward which we should allocate our limited resources?

I will be asking each of the witnesses specific questions on each of these general themes this morning and this afternoon.

Mr. Chairman, I look forward to the witnesses' testimony.

Chairman TOWER. Admiral McDonald, you are first up.

You may proceed any way you see fit. You may submit your entire statement for the record and summarize it or submit any supporting data or material you may have. Proceed as you see fit.

STATEMENT OF ADM. WESLEY L. McDONALD, U.S. NAVY, COMMANDER IN CHIEF, U.S. ATLANTIC COMMAND

Admiral McDONALD. Mr. Chairman and distinguished members of this committee, I am particularly pleased to have the opportunity to be here today to present my assessment of the status of the Atlantic Command.

Mr. Chairman, I have submitted a statement and I will present the committee with an overview of that statement orally here this morning.

Chairman TOWER. We will include your statement in its entirety for the record.

Admiral McDONALD. Thank you very much.

As Commander in Chief of the U.S. Atlantic Command, I am privileged to represent the more than one-quarter of a million sailors, marines, soldiers and airmen of the command and to tell you how proud I am to represent these most professional men and women.

At the outset, I am delighted to report that we are continuing to improve our readiness and sustainability posture. Strong congressional support during the past 3 years has resulted in significant increases in budget authorization and appropriations, providing badly needed funding for these areas of concern.

As the unified commander with the responsibility for planning and conducting all U.S. military operations throughout the Atlantic, my assessments are slanted primarily on the naval aspects of my command since this command is predominantly maritime in nature.

However, the responsibilities for conducting joint operations with U.S. Army and Air Force assets, meeting commitments with the forces of our NATO allies, and conducting combined operations with non-NATO allies impact significantly on my ability to perform peacetime and wartime missions in a manner flexible enough to carry out a multitude of maritime tasks.

Our military strategy is a forward strategy, driven primarily by geopolitical considerations, and represents a commitment which should reassure our allies and act as a deterrent to any potential aggressors.

In implementing this forward strategy, we must be prepared to counter a most formidable spectrum of threats—from the newest Soviet nuclear-powered attack and ballistic missile submarines—to the more sinister, State-supported acts of international terrorism.

One of the major Soviet threats in the Atlantic today is the submarine-launched ballistic missile. Over 60 percent of the ballistic missile submarine force is stationed in the Northern Fleet.

To add emphasis to this threat, the Soviets have increased the number and type of nuclear ballistic missile submarines patrolling off the U.S. east coast.

The tactical, or attack, submarine threat is equally striking. The Northern Fleet possesses nearly 50 percent of the total Soviet tactical submarines—including OSCAR class nuclear-powered, guided missile submarines, and all the high-speed, deep-diving ALFA class—as well as two new classes currently under construction.

Over the past 20 years, the Soviets have built a blue-water Navy fully capable of supporting global operations. Over one-half of the major Soviet surface combatants are based in the Northern and Black Sea Fleets with over 65 percent of their antiship cruise missile equipped surface ships in the combined Western fleets.

Two-thirds of the naval strike aircraft, including the supersonic Backfire bombers, operate from their Western Fleet airfields. It is clear that the Backfire and Badger aircraft from this region pose a signficant air-to-surface missile threat to Atlantic Command forces.

To compound this threat, they are now building a large-deck, nuclear-powered aircraft carrier of their own for power projection and force protection.

In addition to this Atlantic maritime threat recognition, I want to let you know that I am very concerned by the continuing military buildup in Cuba and in the Caribbean Basin.

During the past 3 years, the Soviets have delivered approximately 200,000 metric tons of military cargo to Cuban ports. Although their loss of influence in Grenada has been a setback to their expansion throughout the Caribbean, the Soviets continue to increase their shipments to Cuba.

They have just delivered a third Foxtrot class diesel submarine, and a second new Koni class frigate to the Cuban naval inventory.

At the same time, they continue to modernize the Cuban tactical Air Force. The Cubans now have more than 200 modern fighter/attack aircraft—almost all of which are all-weather variants of the MiG–21 and MiG–23

The routine deployment of Soviet Bear-Delta reconnaissance and Bear-Foxtrot antisubmarine warfare aircraft, operating out of Cuban airfields and conducting surveillance of our naval forces off the east coast, provides a visible demonstration of the strategic importance of Cuba to the Soviet military posture in the Caribbean.

In assessing our status, I must tell you that Atlantic Command forces continue to be very heavily committed around the world, and stretched so thin that very little surge capability exists for rapid response to additional crises.

This past year, Atlantic Command assets were employed in, and reacted to, a varied number of tasks in widely separated regions:

Monitoring and restricting the arms flow to Central American insurgents.

Rescuing U.S. hostages and restoring stability on the island of Grenada.

Supporting United States and allied interests in the Eastern Mediterranean.

Responding to Libyan aggression in Chad.

And contributing to the drug interdiction campaign being waged off the Atlantic coast.

We must also assess our status against the backdrop of a new and rapidly increasing unconventional threat—namely, the reality of state-supported international terrorism.

We are currently pursuing ways to train and equip our forces to deal with terrorist threats.

And we have instituted programs which will improve the physical security of our operating forces and their supporting shore installations.

I want to assure you that we are making progress. However, there are some areas of specific concern where improvements are required if we are to maintain and strengthen our deterrence and warfighting posture.

The defense of Iceland, the Azores, and other island bases is vital to the success of our Atlantic strategy. The strategic importance of Iceland makes it imperative that we proceed as quickly as possible to improve our capabilities to defend the island and the United States and NATO facilities located there.

One of my top priority programing issues continues to be the upgrade of the air defense capability in Iceland. We are making progress toward correcting some of the major, longstanding deficiencies, but much remains to be done and congressional support is needed.

The current Icelandic Government appears amenable to many of these defensive initiatives, emphasizing the urgency for accomplishing these programs.

The transition from F–4s to the more modern F–15 tactical fighter aircraft, and programing and construction of associated support facilities, are on track.

We have commenced construction of phase I of a multiphased fuel facilities improvement project which, when completed, will insure the ready availability of adequate fuel supplies for our tactical aircraft operating from Iceland.

A supplemental request for funding for phase II of the fuel facilities improvement project is presently before Congress for approval. I strongly solicit your support for this supplemental budgetary action.

I am also seriously concerned about the need to upgrade our air defense and surveillance radar systems in Iceland which are essential, providing radar coverage of the Greenland-Iceland-Norway Gap.

Early and reliable warning of Soviet air activity is a critical factor in the success of our maritime strategy in the Atlantic. This upgrade project has my highest priority support.

As part of our continuing program to more effectively use our Reserve augmentation forces, USCINCLANT is currently assessing the potential tasks, capabilities, and limitations of an expanded mission for Naval Reserve forces.

I am optimistic that we will be able to use this highly trained augmentation force to increase our peacetime presence and wartime effectiveness.

Army, Navy, and Air Force Reserve components are already assigned critical roles in the conduct of USCINCLANT wartime missions. We must continue to fully support the modernization, the training, and the equipping of these Reserve components with firstline hardware in order to fully capitalize on this cost-effective military resource.

As the Navy continues to build toward a 15-carrier battle group, 600-ship force, we are progressing both in balance and in capability.

Two nuclear-powered aircraft carriers are under construction and a third is under contract.

The first NTDS equipped frigates are now in the fleet.

The battleship, U.S.S. *Iowa*, will reenter service later this spring and will add great naval firepower capabilities to the Atlantic fleet.

Since the recommissioning of the U.S.S. *New Jersey* in January 1983, she has operated in the Western Pacific, in the Eastern Pacific off the coast of Central America, transited the Panama Canal, and currently is conducting support operations in the Eastern Mediterranean.

This is vivid testimony to the demand for its capability in many areas of the world and a strong endorsement for recommissioning of all four *Iowa* class battleships.

We look forward to the early construction of the lead ship of the DDG–51 class guided missile destroyer which will complement our CG–47 class cruisers in the carrier battle group of the future.

In 1973 the Air Force established a goal of 40 tactical fighter wings. This goal is even more valid today. It is important that we fully fund this requirement if we are to prevent force aging and provide modern assets necessary to successfully carry out the assigned tasks in the Atlantic theater.

The Army's new light infantry division concept appears to have excellent potential application in the island defense role. I request your full support for both of these important programs.

If we examine the U.S. nuclear attack submarine building plans, you may find that we will commission 12 or 13 new 688 class attack submarines during the next 5 years.

At the same time, 18 to 19 older 549-*Permit* class attack submarines will have reached the nominal retirement age of 25 years.

To meet our basic defense posture against the Soviet threat, the Navy needs to maintain at least a 90-ship submarine force—requiring a sustained rate of construction of at least 3 SSNs per year to accomplish this. Even at this rate, our force will be aging in relation to the Soviet nuclear attack submarine force.

Additionally, I am convinced that the Soviet advances in submarine technologies threaten our current undersea superiority. I feel that we must proceed now with the design of a new SSN to include improved quieting, firepower, speed and sensors, as well as the capability to successfully operate under the ice.

The lack of sufficient amphibious lift and strategic airlift capacity is cause for concern. Early and rapid reinforcement can be provided only by adequate airborne lift assets, together with pre-positioned supplies and equipment.

In most crises, however, strategic airlift must be complemented with adequate amphibious lift capacity, and this is where I have a severe limitation. Continued support for our amphibious ship construction programs, as well as expansion of strategic airlift assets, is essential for me to successfully carry out my tasks in the Atlantic.

A very real problem related to the reinforcement and resupply mission is the continuing decline of the U.S. merchant marine industry. Not only is the number of merchant ships declining, but we are losing our pool of merchant seamen to man these ships, while the industrial base to build them is eroding.

My primary concern is our ability to sealift military cargoes in time of war. Less than 5 percent of U.S. trade is transported on U.S.-flag shipping.

While the Department of Defense sealift study concludes that available shipping, supplemented by the Ready Reserve Force, should be able to meet our current military requirements, I am not convinced that we can continue to do so if the merchant marine continues to decline at the current rate.

Your support in revitalizing our merchant marine is requested, Mr. Chairman.

The most important element of our total force readiness is people. I am sure that that does not come as any surprise to the members of this committee.

As we build toward the 600-ship Navy, we must insure that our personnel levels grow accordingly. We must be able to man the ships and aircraft with trained and ready crews and provide adequate intermediate maintenance support to permit effective management of the fleet.

As has been noted by Secretary Weinberger, we have made dramatic progress in people-related programs. However, career decisions to reenlist are influenced by compensation, family considerations, and job satisfaction.

Today, military families are obviously aware and uncomfortable about the uncertainties surrounding previously expected retirement benefits. Retirement security is a strong motivational factor in retention of personnel.

This uncertainty is having a deleterious impact on mid-career decisions. Faced with a shrinking manpower pool and an improving economy, we simply cannot afford to reduce our support-for-people programs.

We are seeing the benefits of increased procurement of spare parts for Navy and Air Force tactical aircraft. Although the Army forces in the Atlantic area have critical shortages of equipment, the situation is improving, but adequate funding levels must be continued to insure that we maintain our momentum in alleviating this deficiency.

Increased funding during the past 3 years has allowed us to increase most categories of readiness and sustainability. However, ordnance deficiencies remain the most serious detriment to my current warfighting capability.

I urge that projected funding be preserved to insure we attain our required ammunition sustainability posture.

Reliable command, control and communications systems are essential to the success of any military operation. As any operation increases in scope or intensity, the requirement for effective C-Cubed support becomes even more critical.

Interoperability and standardization of C-Cubed systems act as force multipliers without significant outlays of additional funds.

The recent operations in Grenada more than amply demonstrate that commonality among forces attempting combined operations enhances both tactical capability and force sustainability. In this area, one of my most serious concerns is the lack of sufficient UHF satellite channels.

We must also continue to support the development and procurement of reliable, survivable, and enduring strategic command and control capabilities.

And we must provide our land forces with light-weight, jam-resistant, tactical C-Cubed equipment.

Funding of the E-6A aircraft, as a follow-on to the EC-130 TACAMO aircraft, and follow-through with the joint tactical communications—TRI-TAC—is essential to the effectiveness of our C-Cubed capability.

Chemical and biological warfare is also a special concern. We need to improve our capabilities in this warfare area if we are to deter a foe who has demonstrated his willingness to use these agents.

Other programs of particular interest to the Atlantic Command include the procurement of improved and upgraded air-to-air missiles, land-based early warning and tanker aircraft, and highly capable air delivered stand-off weapons.

Inner zone ASW helicopters, the most lethal assets in this critical environment, are nearing the end of their useful lives and must be replaced with new and updated systems.

The next few years will be dangerous ones for the Atlantic Command and for our Nation. If we are going to meet our commitments and be successful in carrying out our tasks in support of the national military strategy, we must be ready to carry the fight to the enemy and not react to his actions, to deny him sanctuaries, to threaten key elements of his warfighting strategy in his home waters, in addition to defeating his forces.

The 1985 budget which has been submitted to Congress is one which, in my opinion, contains a proper balance between nuclear and conventional forces.

A similar balance pertains in the allocation of resources to readiness and sustainability programs which improve my current warfighting capability and modernization and force structure increases which allow us to keep pace with the growing Soviet threat.

Your full and continued support of this budget is essential to provide the hardware, trained personnel, and staying power which I need to meet my many commitments both in peacetime and wartime.

Thank you very much. I am ready to answer your questions.

[The prepared statement by Admiral McDonald follows:]

PREPARED STATEMENT BY ADM. WESLEY L. MCDONALD, USN, COMMANDER IN CHIEF, U.S. ATLANTIC COMMAND

"STATUS OF THE ATLANTIC COMMAND"

Good afternoon, Mr. Chairman and distinguished members of this committee. I am pleased to have the opportunity to be here today to present my assessment of the status of my command.

As Commander in Chief of the U.S. Atlantic Command, I speak for more than one-quarter of a million sailors, marines, soldiers, and airmen. At the outset, I want to assure you of my confidence in their ability to carry out the tasks assigned. They are truly outstanding performers who have, and continue to, demonstrate their readiness and ability to successfully accomplish our objectives. Because of current world situations they are doing more—and they are doing it better. The high tempo of operations is a challenge they continue to meet in a superb manner. I want to sincerely impress on you how proud I am to represent these men and women.

I am happy to report that we are continuing to improve our readiness and sustainability posture. Strong congressional support during the past 3 years has resulted in significant increases in budget authorization and appropriations, providing badly needed funding for readiness and sustainability programs. This support has in turn had a very positive influence on the performance of our people. Increased funds for operations and for maintenance has allowed us to increase training opportunities, with resultant increased retention and higher levels of operational readiness. Funding has been provided allowing us to increase our inventory of spare parts and munitions—resulting in higher levels of sustainability. Increases in compensation, improvements in benefits, and greater attention to quality of life issues have reassured our men and women that they have the support and respect of their Congress and the taxpaying citizens of this country—resulting in increased retention and in their being willing and able to concentrate their energy on accomplishing the tasks at hand.

These improvements are critically important, since I must be able to accomplish my assigned missions with the forces that are available to me today. The readiness and sustainability factors have a direct and immediate impact on the deterrent posture and warfighting capability of the Atlantic Command.

As Commander in Chief of the U.S. Atlantic Command (USCINCLANT), I am the Unified Commander with the responsibility to the Secretary of Defense for planning and conducting all U.S. military operations throughout the Atlantic. This predominantly maritime area of responsibility includes: the North and South Atlantic Oceans; a major portion of the Arctic Ocean; the Greenland, Norwegian, and Barents Seas; the Caribbean Sea and the Gulf of Mexico; and that part of the Pacific Ocean which is adjacent to the Central and South American nations. This area also includes several key island bases which play a critical role in the accomplishment of my missions.

In this role as USCINCLANT, I am supported by individual Air Force and Army component commanders who provide tactical air and ground defense forces from both active and reserve components. In addition to being USCINCLANT, I am my own U.S. Navy component commander—Commander in Chief U.S. Atlantic Fleet (CINCLANTFLT), providing Naval and Marine forces to USCINCLANT. I also am responsible, as the Supreme Allied Commander, Atlantic (SACLANT), for carrying out NATO maritime commitments in the Atlantic.

Since my area of responsibility is predominantly maritime, my assessments are necessarily focused primarily on the naval aspects of my command. However, the responsibilities for conducting joint operations with U.S. Army and Air Force assets, meeting commitments with the forces of our NATO allies, and conducting combined operations with non-NATO allies, impacts significantly on the command's capability of performing peacetime and wartime missions.

The Naval and Marine forces in the Atlantic are used to support other regional U.S. commanders, such as the Commanders in Chief of the European, Southern, Pacific and Central Commands, as well as being the principal forces for carrying out Atlantic Fleet tasking. Therefore, force requirements must be adequately structured to respond to the challenges, threats, and commitments throughout the Atlantic, the Caribbean, the Mediterranean, and the Northern European naval operating areas—as well as throughout the Indian Ocean and the contiguous Southwest Asia maritime operating environment.

These forces must be capable and flexible enough to carry out a multitude of maritime tasks. These tasks include the conduct of antisubmarine warfare operations, the protection of reinforcement and resupply shipping, providing for the security of the vital sea lines of communications, defense of those islands vital to carrying out these tasks and, most importantly, the conduct of offensive operations, including strike warfare operations in support of USCINCEUR.

I will refer to this tasking in more detail later. For now, I think it is important to note that the Commander in Chief of the U.S. Atlantic Fleet (CINCLANTFLT) must provide all the U.S. Naval and Marine forces to accomplish these tasks. Air Force commanders must provide strategic airlift, tactical fighter squadrons, inflight refueling and airborne warning and control aircraft, and other forces to assist in joint maritime operations. The Army must provide forces for island defense, and for participation in special operations as directed by the National Command Authority.

The primary national military objective, and the primary mission of the Atlantic Command, is deterrence. For deterrence to succeed, we must maintain adequate force levels, both nuclear and conventional, capable of conducting prolonged military operations throughout the area of responsibility. Should deterrence fail, the Atlantic Command must be trained and ready to fight a war in the Atlantic and to provide forces or military support to commanders in adjacent operating areas. Our national military strategy is based on limiting any conflict to the lowest level while still allowing us to achieve our national objectives. We must be able to sustain and then terminate the conflict in a way which meets our political objectives. This strategy also prescribes the manner in which the elements of military power will be developed and employed. As you know, this country relies heavily upon the day-to-day use of Naval and Marine forces as military instruments of national policy. We must, therefore, clearly maintain the capability of projecting sea power around the world in response to selective crises, as well as reinforcing and resupplying our forces and those of our friends and allies. To accomplish this, we must be able to establish and maintain maritime superiority in those key ocean areas vital to our national interests.

Our military strategy is a forward strategy—driven, primarily, by geopolitical considerations. This forward strategy utilizes the oceans as barriers for the defenses of the U.S. and as the principal highways for the movement of our economic and military supplies. U.S. forces, forward deployed, are a vital part of this strategy, and represent a commitment which should reassure our allies and act as a deterrent to any potential aggressors. These forces provide the National Command Authority with a mechanism for exercising power and protecting U.S. interests.

In the maritime arena, we depend on two basic functions to carry out our national strategy—sea control and power projection—both of which are closely interrelated. Sea control is a selective function exercised only when and where needed. It is a requirement for most naval operations, and it is a prerequisite for successfully conducting sustained operations in support of U.S. Army, Air Force and Marine Corps general purpose forces.

Power projection, our principal means of supporting land based operations, covers a broad spectrum of offensive naval operations. An essential element of power projection is the Amphibious Task Force with Marines embarked, capable of inserting U.S. ground forces into a hostile environment.

In implementing this strategy, we must be prepared to counter a most formidable spectrum of threats—from the newest Soviet nuclear powered attack and ballistic missile submarines—to the more sinister, state-supported acts of international terrorism.

One of the primary threats in the Atlantic is the submarine launched ballistic missile. Some 60 percent of the ballistic missile submarine force is stationed in the Northern Fleet. Recently, the Soviets have increased the number and type of nuclear ballistic missile submarines patrolling off the U.S. east coast, within short missile flight time to possible targets in the United States. These deployments are apparently part of the Soviet response to employment of U.S. missiles in Europe. The addition of new, long range cruise missiles and quieter nuclear attack submarines to the Soviet arsenal will sharply increase the threat in the Atlantic. The threat will be increased significantly in the near future when the Soviets begin deploying the new SS-NX-21. This long range, land attack, submarine launched cruise missile could be deployed on the "Victor III" class nuclear attack submarine, similar to the one which recently suffered an engineering casualty within 500 nautical miles of Charleston, South Carolina.

The tactical submarine threat is equally striking. Without counting any Black Sea or Baltic Sea Fleet units, the Northern Fleet posseses nearly 50 percent of the total Soviet tactical submarines—including "Oscar" class nuclear powered, guided missile submarines and all the high speed, deep diving "Alfa" class nuclear attack submarines—as well as two new classes of nuclear attack submarines currently under construction—referred to as "Sierra" and "Mike" class submarines. The dramatic surfacing of the "Victor" class SSN in November off the east coast demonstrates the increased presence of these tactical submarines in covert operations near our shores.

Over half of the major Soviet surface combatants are in the Northern and Black Sea Fleets, with over 65 percent of their anti-ship cruise missile equipped surface ships in the combined western fleets.

Two-thirds of the naval strike aircraft, including the supersonic "Backfire" bombers, operate from the western fleets. It is clear that the "Backfire" and "Badger" aircraft from this region pose a significant air-to-surface missile threat to Atlantic Command forces and NATO units in the Norwegian Sea, the North Sea, and the North Atlantic Ocean. The Black Sea Fleet air force also poses a significant threat to our carrier battle groups deployed in the Mediterranean. I have to include all of these in any threat assessment, since their mobility makes them a very real threat to Atlantic Command forces.

Mobility is only one aspect of the Soviet threat. Over the past 20 years they have built a blue-water navy capable of supporting global operations. While some continue to debate our aircraft carrier vulnerability, the Soviets are building a large-deck, nuclear powered aircraft carrier of their own. The Soviets apparently have come to the conclusion that the mobility, flexibility, and power projection inherent in the large, nuclear powered carrier outweigh the risks associated with the vulnerability issue. They use their navy as a tool of diplomacy to influence events throughout the world. They also appear determined to challenge our ability to do the same.

The maritime threat posed by the Soviets is worldwide and we must plan within the context of a global strategy. Although the major thrust of Soviet warfighting capabilities is focused on Central Europe and the Northern and Southern flanks of NATO, I remain very concerned by the continuing military buildup in Cuba and in the Caribbean Basin.

During the past three years, the Soviets have delivered approximately 200 thousand metric tons of military cargo to Cuban ports. Although the loss of influence in Grenada has been a setback to their expansion throughout the Caribbean, they continue to increase their shipments to Cuba. They have just delivered the third "Foxtrot" class diesel submarine, and a second new "Koni" class frigate. The presence of three modern long range submarines in Cuba—and probably more to come—is particularly disturbing.

They continue to modernize the Cuban tactical air force. The Cubans now have more than 200 modern fighter/attack aircraft—almost all of which are all-weather variants of the MiG–21 and MiG–23. Several more were delivered in late January.

They continue to build improved naval and air base facilities to support this new equipment. The routine deployment of "Bear-Delta" reconnaissance and "Bear-Foxtrot" antisubmarine warfare aircraft, operating out of Cuban airfields and conducting surveillance of our naval forces off the east coast, provides a visible demonstration of the strategic importance of Cuba to the Soviet military posture in the Caribbean.

At this point you may want to ask how we deal with this growing maritime threat and are we in a position to counter this expansion throughout the Western Hemisphere?

As I stated earlier, United States strategy in the Atlantic is based primarily on maritime objectives, and the use of Naval and Marine forces to accomplish these objectives. The Air Force plays an important role in this strategy—a role which continues to increase as interceptor capabilities are upgraded, air surveillance assets are increased, and forces are modernized to fully implement our joint agreements in the maritime support role. My Army component commander also provides forces which are vital elements in the defense of key island bases in the Atlantic; Grenada being a graphic example of the use of these forces.

As the Soviet threat and Cuban adventurism expand throughout the Caribbean Basin, and in Central and South America, the Army's role in this theater continues to grow. The Commander in Chief, U.S. Southern Command, has the primary responsibility for implementing national military strategy in Central and South America; however, I must be prepared to provide the maritime support for his operations.

Atlantic maritime strategy can best be described in a regional context and generally includes four major objectives: (1) establish military superiority—primarily naval and air—over, on, and under the sea in designated operating areas, such as the Norwegian Sea, the Greenland-Iceland-Norway (G–I–N) Gap, the North Atlantic sea lines of communication (SLOCs), and in the mid-Atlantic, for specified periods of time; (2) if, and when required, counter the Cuban air and naval offensive capability, to ensure the unimpeded flow of seaborne traffic through the Straits of Florida, the Gulf of Mexico, and the Panama Canal; (3) concentrate available forces to deter, deny or destroy Soviet naval offensive capabilities, render their defensive naval forces ineffective, and provide support to the battle ashore; and (4) establish control of additional sea lines of communication in the Caribbean and in the South Atlantic, to ensure the continued flow of oil and vital raw materials to the United States and our European allies.

In the event that we are forced into a conflict with the Soviet Union and Warsaw Pact countries, establishing sea control quickly is of utmost importance. We must put at risk as many of the Soviet naval forces as possible early in any conflict.

The majority of Soviet forces must be contained as far north as possible. This can be accomplished by offensive actions that keep the Soviet Navy focused on the threats to their own forces in the Norwegian and Barents Seas. If offensive operations are allowed to break out into the broad Atlantic, many more forces may be required to defeat the threat, or the time to accomplish our tasks will be excessive.

The distribution of forces at the commencement of hostilities will be a key factor in carrying out this strategy. Our current fleet deployments demonstrate how our forces can be stretched to the geographic extremes.

Successful allied defense of Iceland and Norway is essential. Soviet denial of our use of facilities in Iceland and in Norway, and loss of sufficient air superiority in the Norwegian Sea, would impact our maritime patrol operations and would seriously limit our ability to implement our maritime strategy in the North Atlantic.

The defense of Iceland is vital to the success of this Atlantic strategy. Close analysis of the requirements for the wartime defense of Iceland reveals serious deficiencies which will be discussed later. The strategic importance of this island makes it imperative that we proceed as quickly as possible to improve our capabilities to defend the island and to withstand attacks against the U.S. and NATO facilities, and permit us to continue to operate tactical air and maritime patrol aircraft in the Norwegian Sea.

The Azores and other island bases in the Atlantic must also be successfully defended, primarily to ensure that their facilities continue to be available for allied reinforcement, resupply, and support operations. The success of base rights negotiations and realistic foreign aid measures are very important factors in developing and maintaining a credible defense capability in peacetime.

One of my primary tasks as USCINCLANT, and as SACLANT, is to protect those sea lines of communication vital to the reinforcement and resupply of Europe. Since we have limited convoy escort forces, Soviet air and submarine threats that operate in the mid-Atlantic must be eliminated or effectively neutralized quickly to allow shipping to sail independently if required. Our ability to protect military cargo and essential economic shipping is key to a successful warfighting strategy. But this concern and effort dedicated to protecting the Atlantic SLOCs may be for naught unless we can ensure accessibility of the BENELUX ports. Due to their vulnerability to enemy attack, these ports may not be available for off-loading vital supplies in a timely fashion. We must continue development of a coordinated program to ensure that we have the ability to offload all shipping over the shore and through austere ports.

Security of shipping through the Caribbean and Gulf of Mexico must be guaranteed early in any general war scenario. A large percentage of U.S. reinforcement and resupply equipment for Europe originates from Gulf Coast ports—most within the first 30 to 60 days following mobilization. Almost all of the petroleum products designated to resupply U.S. forces deployed to Europe, or anywhere else in the Atlantic theater, also originates from Gulf Coast ports. How to best deal with the increasing Cuban threat will be a major political decision that must be made very early in any crisis.

Atlantic maritime strategy requires sufficient sea control in the South Atlantic to permit safe transit of essential shipping. Protection of the sea lanes through the South Atlantic is vital, not only to support naval operations in the Indian Ocean and force deployments to Southwest Asia, but also to assure the safe passage of oil and strategic raw material shipping to the U.S. and Western Europe. To complicate this protection, all of the Southwest Asia, South Atlantic, and Caribbean contingency operating areas are "outside" the defined NATO area of interest, which has its southern boundary at the Tropic of Cancer. This places the requirement for naval forces primarily on the shoulders of the United States. Realistically, we do not have the forces and our allies will have to help us to accomplish this task. It is most important that we continue to encourage the improvement of the forces of our Central and South American allies, and continue to conduct periodic training with them so they will be capable of contributing to the defense of these sea lines of communication. Our current annual UNITAS series of naval training exercises are the most visible and productive efforts in this area.

In assessing our status, we must look at several different sets of criteria. In the traditional sense, we measure our margin of strength relative to the potential Soviet threats in the Atlantic area of responsibility, and in terms of force requirements necessary to meet commitments and deal with crises. In this context, I must tell you that our forces continue to be very heavily committed around the world, and stretched so thin that very little surge capability exists for rapid response to additional crises.

This past year Atlantic Command assets were employed in, and reacted to, a varied number of tasks in widely separated regions. They continuously supported national interests in monitoring and restricting the arms flow to Central American insurgents; they responded to the Organization of Eastern Caribbean States' appeal, and the National Command Authority directive, to rescue U.S. hostages and restore stability on the island of Grenada; they supported U.S., Allied, and other friendly nations' interests in the Eastern Mediterranean; they responded to Libyan aggression in Chad; and they have contributed successfully to this nation's drug interdiction campaign.

During the past year, the commitment of carrier battle groups in the Indian Ocean—which is shared jointly with the Pacific Fleet Commander—has been reduced to one. This initially allowed us to gain flexibility in providing increased naval presence in other areas such as the Caribbean. However, the requirement for two carrier battle groups to support the Multi-National Force troops in Lebanon has once again reduced that flexibility.

With current forces we are only capable of executing our strategy sequentially. Our dispersed carrier battle group deployments in the eastern Mediterranean, in the Indian Ocean, and in the Caribbean operating area, complicate the problems associated with concentrating our forces in wartime in the highest priority geostrategic areas of the Atlantic. There are currently only seven deployable carriers in the Atlantic Fleet available for assignment to these commitments, from which I must subtract those in overhaul and those with certain equipment shortages. The forces needed to counter the potential threats in the Caribbean are also the same ones needed to ensure the security of the North Atlantic, conduct operations in the USCINCEUR area of responsibility, and respond to regional crises such as the Grenada operation. At the beginning of any potential conflict in Central Europe or on the Northern Flank, some of these forces may be forward deployed and engaged elsewhere. The initiative may well belong to the Soviets, and the choice of the sequence of operations may be severely limited.

To offset the numerical imbalance of our maritime forces vis-a-vis the Soviets, it is absolutely essential that we exploit our geographical advantages, our sea-based tactical air capability, and the superiority of our high quality nuclear attack and ballistic missile submarine forces. It is equally essential that we effectively exploit our technological advantages, while minimizing any losses of this advantage through deliberate or innocent transfer of new technology to the Soviets.

In assessing our status, we must do so against the backdrop of a new and rapidly increasing unconventional threat—namely, the reality of state supported international terrorism. During the past year, we have received sufficient warnings that have caused us to focus our planning and our tactics in the area of special operations training and unconventional warfare support.

We are currently and aggressively pursuing ways to train and equip our forces to deal with terrorist threats, and we are instituting programs which will improve the physical security of our operating forces and their supporting shore installations.

Against this background of growing threats, expanding international guerrilla warfare, and the requirement to implement a major part of our global maritime strategy, I want to assure you that we are making progress. We are beginning to see improvements in readiness and sustainability, in modernization and growth of our force structure, and in the recruiting, training and retention of larger numbers of higher quality people. The spirit of teamwork which currently exists among the Chairman and the Joint Chiefs, the Services themselves, and the Unified and Specified Commanders, has contributed to these improvements. The direct involvement and increased participation of the "CINCs" in the program planning and budgeting cycle over the past three years is starting to pay off in terms of more clearly defined requirements and balanced priorities for program funding. This should result in even greater increases in capability and readiness in the future.

There are some areas of specific concern where improvements are required if we are to maintain and strengthen our deterrence and warfighting posture. One of my top priority programming issues continues to be the upgrade of the air defense capability in Iceland. We are making progress toward correcting some of the major, long-standing deficiencies, but much remains to be done and Congressional support is needed. The current Icelandic government appears amenable to many of these defensive initiatives, emphasizing the urgency for accomplishing these programs.

The transition to more modern F-15 tactical fighter aircraft, and programming and construction of associated support facilities are on track. We have commenced construction of Phase I of a multi-phased fuel facilities improvement project which, when completed, will ensure the ready availability of adequate fuel supplies for our tactical aircraft operating from Iceland.

A supplemental request for funding for Phase II of the fuel facilities improvement project is presently before Congress for approval. This request is of vital importance to our defense of the North Atlantic. Phase II involves the construction of a breakwater and pier to provide a deep water port for year-around access of resupply services for our improved fuel distribution and storage facility. I strongly solicit your support for this supplemental budgetary request.

I am also seriously concerned about the need to upgrade our air defense and surveillance radar systems in Iceland and across the Greenland-Iceland-Norway Gap. Early and reliable warning of Soviet air activity is a critical factor in the success of our maritime strategy in the Atlantic. Improvements are required in our capability to detect and track Soviet Northern Fleet and naval air movements. The proposed North Atlantic Defense System—or "NADS"—will be the cornerstone for such an improved surveillance capability.

This defense system is a joint U.S./NATO program which consists of the replacement of obsolete air surveillance radar system, and the re-establishment of earlier radar surveillance sites, with current state-of-the-art radar systems and associated control centers, with the capability to data link this surveillance information across the G-I-N Gap. The "NADS" System is designed to provide timely and reliable air surveillance information for the defense of Iceland and early warning surveillance support necessary to protect our naval forces in the North Atlantic and Norwegian Sea. Additionally, it will help ensure the security of the North Atlantic lines of communication, which are vital to the reinforcement and resupply of Europe. This upgrade project has my highest priority support and is rapidly progressing from the planning to the programming stage.

Both the fuel facilities improvement program in Iceland and the radar upgrade across the G-I-N Gap are essential to meet our own national and bi-lateral defense requirements. They will also benefit our NATO partners and, therefore, are eligible for some NATO funding, which will help reduce our overall funding requirements. Continued strong support for these projects is required now from both the U.S. and NATO governments, to ensure timely completion.

Closer to home, we have continued to revise and improve our operation plans for dealing with the Caribbean situation. We have also significantly increased our presence throughout the Caribbean Basin. Expansion of the role of Commander, U.S. Forces Caribbean, a subordinate Unified Command under USCINCLANT, has allowed us to focus more closely on the situation, and has permitted us to more effectively integrate our planning and operations for the entire area. We have recently shifted responsibility for implementation of our security assistance program to the Commander, U.S. Forces Caribbean for countries in the Caribbean area; namely, Haiti, Jamaica, Dominican Republic, and the island states of the Eastern Caribbean, including Grenada. These responsibilities include training and equipping the Caribbean Peace Force in Grenada—a process well on its way to successful completion.

As part of our continuing program to more effectively use our reserve augmentation forces, USCINCLANT is currently assessing the potential tasks, capabilities, and limitations of an expanded mission for Naval Reserve forces. I am optimistic that we will be able to use this highly trained augmentation force to increase our peacetime presence and wartime effectiveness. Army, Navy and Air Force Reserve Components are already assigned critical roles in the conduct of USCINCLANT wartime missions. We must continue to fully support the modernization, the training, and the equipping of these reserve components with first-line hardware in order to fully capitalize on this cost effective military resource.

Sea control and power projection require a well balanced conventional naval force, while the high tempo of forward deployed naval commitments requires an increasing number of very capable forces. As the Navy continues to build towards a 15 carrier battle group, 600 ship force, we are progressing both in balance and in capability. Two nuclear powered aircraft carriers are under construction and a third is under contract. The first NTDS equipped frigates are now in the fleet. The battleship, USS IOWA, will reenter service later this spring and will add great naval firepower capabilities to the Atlantic Fleet. The second CG–47, "Ticonderoga" class AEGIS Cruiser, USS *Yorktown*, will join the Atlantic Fleet this summer. We look forward to the early construction of the lead ship of the DDG–51 class guided missile destroyer—a phased-array radar equipped surface combatant which will complement our CG–47 class cruisers in the carrier battle group of the future.

In 1973, the Air Force established a goal of 40 tactical fighter wings. This goal is even more valid today. We must prevent force aging. It is important that we attempt to fully fund this requirement if I am to have the modern assets necessary to sucessfully complete my tasks in the Atlantic theater. From my perspective of the air land battle, the Army's new Light Infantry Division concept appears to have excellent potential application in the island defense role. I request your full support for both of these important programs.

Although we are making progress in adding new ship construction platforms, I view the trends in military force balance in the future with concern. That superiority we now have at sea is primarily a result of our advantages in sea-based tactical air—the carrier battle groups—and the quality of our nuclear attack and ballistic missile submarine forces. However, our carriers are aging—nine out of fourteen at sea today are more than 20 years old. The current Service Life Extension Program and the new construction programs mentioned earlier will help sustain this advantage, but additional programs will be required in the future if we are to continue to maintain this critical wartime advantage.

If we examine the U.S. nuclear attack submarine building plans, you will find that we will commission 12 or 13 new "688" class SSNs during the next five years. At the same time, 18–19 older "594—Permit" class SSNs will have reached the nominal retirement age of 25 years. The Navy will be fortunate to maintain a 90-ship submarine force—but, it will require a sustained rate of construction of at least 3 SSNs per year to accomplish this. Even at this rate, our force will be aging in relation to the Soviet nuclear attack submarine force. In the period between 1972 and 1982, the Soviets built approximately 50 nuclear attack submarines, a rate of about 5 per year. They have introduced at least 7 new classes of submarines within the last 10 years, and more new classes are already in the Soviet shipyards.

I am genuinely disturbed, as I am certain you are, by these trends. What is funded now—CVNs or SSNs—will take at least 3–5 years, and probably more like 6–8 years, to build. Obviously, if we fail to adequately fund new construction now, and the Soviets persist in building large numbers of weapon systems across a broad front, we will fall farther and farther behind as we approach the twenty-first century.

It is my assessment that Soviet advances in submarine technologies threaten our undersea superiority. In addition to this technological threat, I must emphasize the growing threat posed by increased Soviet submarine operations in the Arctic environment. I feel that we must proceed now with the design of a new SSN to include improved quieting, firepower, speed and sensors, as well as the capability to successfully operate under the ice.

In the strategic nuclear arena, the fleet ballistic missile submarines comprise the survivable and enduring element of our forward based deterrent strategy. With the introduction of the Trident II—D–5—missile, and "Ohio" class FBM into the Atlantic Fleet strategic arsenal, our deterrent posture will be improved and strengthened. This increased capability will help reverse the past unfavorable trends vis-a-vis Soviet capabilities.

We are making our progress in modernizing our forces. Since the recommissioning of the USS *New Jersey* in January 1983, she has operated in the Western Pacific and in the Eastern Pacific off the coast of Central America, transited the Panama Canal, and is currently conducting gun fire support operations in the Eastern Mediterranean. Since deploying from Long Beach in June 1983, she has operated under the command of all four Navy numbered Fleet commanders and in the area of responsibility of three U.S. Unified Commanders. This is vivid testimony to the demand for its capability in many areas of the world and a strong endorsement for recommissioning of all four *Iowa* class battleships.

As stated earlier, we plan to recommission the second battleship, USS *Iowa*, in April, when she will join the Atlantic Fleet several months ahead of the original schedule. Reactivation of the USS *Iowa* is a most welcome event. The offensive fire power and survivability of battleships make them excellent additional weapons platforms to complement our carrier battle groups, and to add significantly to surface operations in areas where the air threat environment is less intense.

Funding for renovation of a third battleship, USS *Missouri*, is included in the fiscal year 1985 budget and the five year construction/conversion plan requests activation of the fourth battleship in fiscal year 1987. Appropriations for these ships buys a lot of capability at a relatively low cost.

The lack of sufficient amphibious lift and strategic airlift capacity is cause for concern. Early and rapid reinforcement can be provided only by adequate airborne lift assets, together with pre-positioned supplies and equipment. Early and rapid reinforcement, in addition to its obvious military payback, may actually prevent a crisis from escalating into a war. It can be a significant deterrent. In most crises, however, strategic airlift must be complemented with adequate amphibious lift capacity, and this is where I have a severe limitation. Continued support for our amphibious ship construction programs, as well as expansion of strategic airlift assets, is essential for me to successfully carry out my tasks in the Atlantic.

A very real problem related to the reinforcement and resupply mission is the continuing decline of the U.S. Merchant Marine industry. Not only is the number of ships declining, but we are losing our pool of merchant seaman to man ships, while the industrial base to build them is eroding.

My primary concern is our ability to sealift military cargoes in time of war. Less than 5 percent of U.S. trade is transported on U.S. Flag shipping. While the Department of Defense Sealift Study concludes that available shipping, supplemented by the Ready Reserve Force, should be able to meet our current military requirements, I am not convinced that we can continue to do so if the Merchant Marine continues to decline at the current rate. Economic shipping is another problem. In wartime, when available U.S. merchant ships must be used for military cargoes, we will be totally dependent on foreign flag vessels for economic shipping. Your support in revitalizing our Merchant Marine is requested.

The most important element of our total force readiness is people, and some of the most important expeditures for readiness are related to people. As we build towards the 600 ship Navy, we must ensure that our personnel levels grow accordingly. We must be able to man the ships and aircraft with trained and ready crews and provide adequate intermediate maintenance support to permit effective management of the Fleet. As has been noted by Secretary Weinberger, we have made dramatic progress in people related programs. Recruiting and retention continue to improve, and the quality of recruits is higher.

Career decisions to reenlist are influenced by compensation, family considerations, and job satisfaction. Today, military families are obviously aware and uncomfortable about the uncertainties surrounding previously expected retirement benefits. Retirement security is a strong motivational factor in retention of personnel. This uncertainty is having a deleterious impact on mid-career decisions. Career sea pay has also clearly contributed to improved retention by recognizing the hardships at sea. This compensation issue is critical to future retention.

The expiration of the Vietnam Era GI bill benefits in 1989 is a growing personnel retention issue. It impacts on the retention of those high quality, mid-grade enlisted people who have above average ability and desire to improve their knowledge and skills by pursuing college level education. Faced with a shrinking manpower pool and an improving economy, we simply cannot afford to reduce our support for people programs and find ourselves having to play "catch-up" in the personnel arena, while trying to stem the "hemorrhage" of talent from the services as occurred only about 5 years ago.

Another readiness factor that is directly related to people is training, and we are also making progress in this area. Increased Operations and Maintenance funding during the past several years has provided us with additional joint training exercise opportunities and, although the primary intent was not training, recent operations in Grenada provided an excellent opportunity to evaluate our Joint and Combined Force planning process. Recent training exercises in the Caribbean and the operational deployment to Grenada allowed my Army component commander in the Atlantic to refine and improve our ability to successfully deploy Army Forces on short notice.

In addition to providing invaluable training for our personnel, these exercises and operational deployments have provided an excellent opportunity for the Army to critique and evaluate their force structure and deployment doctrine. The Commander of Army Forces in the Atlantic is continuing to review the lessons learned from these recent experiences. Continued funding support for overseas deployment joint training exercises will help ensure steady improvement in the quality of force readiness and the experience of its leaders. Another integral ingredient of successful training is adequate funding for the Navy's Ship Steaming Days program, and Air Force and Navy flying hour programs.

We are seeing the benefits of increased procurement of spare parts for Navy and Air Force tactical aircraft. Although the Army forces in the Atlantic areas have critical shortages of equipment, the situation is improving, but adequate funding levels must be continued to ensure that we maintain our momentum in alleviating this deficiency. We also continue to enjoy a decrease in ship maintenance backlogs.

Increased funding during the past two to three years has allowed us to increase most categories of readiness and sustainability. However, ordnance deficiencies remain the most serious detriment to my current warfighting capability. I urge that projected funding be preserved to ensure that we attain our required ammunition sustainability posture.

The Maritime Pre-positioning Ship program (MPS) will provide the capability to deploy a Marine Amphibious Brigade as a rapid preemptive naval response in unopposed situations. It will also provide a reinforcement capability for previously committed forces. Loading of the first "MPS" set will begin later this year. This program helps to reduce the problems associated with extremely long logistic supply lines, and complements our amphibious and strategic airlift forces. However, it does not diminish the urgent requirement for increasing the size of the amphibious force and the capacity of strategic airlift.

The initiative for pre-positioning selected equipment for an airlifted Marine Brigade in Norway is proceeding on schedule. Ammunition, vehicles, heavy artillery, and aviation ground support equipment are currently being stored in temporary facilities, provided by Norway, pending the construction of permanent sites using NATO infrastructure funding. Follow-on shipments of heavy engineering equipment are scheduled for later this year. As these geographic and maritime pre-positioning initiatives are completed, they will measurably expand the strategic options available to the Atlantic Commander to respond to future contingencies.

In the area of logistic support requirements, we are deficient in Advanced Base Functional Components. Advanced Base Functional Components, called ABFCs, are composed of the material, equipment and personnel needed to perform a specific function at an advanced naval base in wartime. I depend upon ABFCs to sustain maritime patrol aircraft in their missions, to establish advanced logistic support bases which support the battle fleets at sea and to provide hospital, repair, and construction support for naval operations. Progress has been made in obtaining funds, however, funding must continue to be made available specifically for required ABFC procurement.

Fleet shore activities are capable of supporting near term peacetime requirements of the operating forces, but their ability to sustain long term heavier demands is seriously questioned. The level of maintenance and repair necessary to keep those old buildings and old utility systems in service grows from year to year; particularly because the amount of O&MN dollars provided for maintenance and repair is actually declining. The requirements of the fleet are continually expanding, yet the readiness of existing facilities is steadily eroding because of inadequate maintenance and repair resources.

Reliable Command, Control and Communications, or "C-Cubed", systems are essential to the success of any military operation. As any operation increases in scope or intensity, the requirement for effective "C-Cubed" support becomes even more critical. Rapid, reliable, secure voice, record and data link communications improvements will provide for effective command control, greatly enhancing current systems. Similarly, "C-Cubed" development must proceed concurrently with other equipment modernization and system acquisition programs if we are to realize fully their potential. Interoperability and standardization of tactics, procedures, and rules of engagement act as force multipliers without significant outlays of additional funds. The recent operations in Grenada provided more than ample demonstration that commonality among forces attempting combined operations enhances both tactical capability and force sustainability.

Our satellite communications programs that support most of our weapons systems are very important. The requirements for high data rate communications connectivity are growing, and one of my most serious concerns is the insufficiency of UHF satellite channels. Our most economical satellite program has been UHF, and it must be continued—even after the SHF and EHF programs come on line. UHF connectivity will continue to meet separate and specific operational requirements well into the future.

We must continue to support the development and procurement of reliable, survivable and enduring strategic command and control capabilities, and we must provide our land forces with light-weight, jam resistant, tactical "C-Cubed" equipment. Funding of the E-6A aircraft, as a follow-on to the EC-130 "TAC AMO" aircraft, and follow-through with the Joint Tactical Communications—"TRITAC"—program are essential to the effectiveness of our "C-Cubed" capability.

Electronic warfare systems which allow our forces to inhibit enemy targeting efforts and which aid our forces in exploiting the enemy's electronic emissions and communications structure are vital if we are to compensate for our numerical disadvantages.

Chemical and biological warfare is a special concern, since our inability to reach a national consensus on this troubling issue has left the military in an untenable position. We are faced with the prospect of not being able to respond effectively in kind, thus reducing our deterrent posture. We need to improve our offensive and defensive capabilities in this warfare area if we are to deter a foe who has demonstrated his willingness to use these agents.

Other programs of particular interest to the Atlantic Command include the procurement of improved and upgraded air to air missiles, land based early warning and tanker aircraft, and highly capable air delivered standoff weapons. Inner zone ASW helicopters, the most lethal assets in this critical environment, are nearing the end of their useful lives and must be replaced with new and updated systems.

The next few years will be dangerous ones for the Atlantic Command and for our nation. If we are going to meet our commitments and be successful in carrying out our tasks in support of the national military strategy, we must be ready to carry the fight to the enemy and not react to his actions, to deny him sanctuaries, to threaten key elements of his warfighting strategy in his home waters, in addition to defeating his forces.

The 1985 Budget which has been submitted to Congress is one which in my opinion contains a proper balance between nuclear and conventional forces. A similar balance pertains in the allocation of resources to readiness and sustainability programs which improve my current warfighting capability, and modernization and force structure increases which allow us to keep pace with the growing Soviet threat.

Your full and continued support of this Budget is essential to provide me the hardware, trained personnel, and staying power which I need to meet my many commitments both in peacetime and wartime.

Thank you very much. I am ready to answer your questions.

Admiral McDonald. I will turn the presentation over to General Gorman with your permission.

Chairman Tower. General Gorman.

STATEMENT OF GEN. PAUL F. GORMAN, U.S. ARMY, COMMANDER IN CHIEF, U.S. SOUTHERN COMMAND

General Gorman. Sir, like Admiral McDonald, I have prepared a more extensive statement which I have tendered as a presentation of the mission of my command.

Chairman Tower. That will be incorporated in full in the record, General. You may proceed as you see fit.

General Gorman. Let me begin by associating myself with the remarks that Admiral McDonald made on the high quality of our soldiers, sailors, airmen and marines that you have in your armed services today.

I am uniquely, as Commander of the Southern Command, in a position to comment on those because while I have very few forces, far fewer than any of the other Unified or Specified Commanders, assigned to me, I do have from time to time opportunities to use the forces of the Atlantic Command or the Readiness Command to assist me in discharging the missions assigned to me by the Secretary of Defense and the Joint Chiefs of Staff.

I can attest that the men and women who come to me from those commands are well prepared for their jobs and discharge them extraordinarily well.

Mr. Chairman, there are five vital interests of the United States at least which are engaged in the region for which I am assigned responsibility and to which I bring my command to bear in one way or another.

These five vital interests—and I use the term "vital" advisedly because I believe they describe exactly how we will live as a Nation in the future—these five vital interests are:

First, neighbors who are committed to participatory democracy versus totalitarianism.

Second, the military security of the United States in the region.

Third, control over narcotics trafficking.

Fourth, sensible restraints on population migration.

And fifth, our own economic well-being.

Now, I am very much aware, acutely aware, that there are many Americans who profess to believe that if the Latin Americans choose to adopt Marxist governments, it is of no concern to us Americans.

I happen to disagree profoundly with that belief, but far more important for this committee, you should appreciate that most Latins profoundly disagree with that belief. Most are convinced that their governments cannot live in juxtaposition with Marxist totalitarianism.

That certainly applies specifically to the nations of Central America vis-a-vis the present regime in Nicaragua.

As the National Bipartisan Commission on Central America recently observed, one-party Marxist statements seldom liberalize and they often lend themselves to Soviet neocolonialism.

Concerning security, the defense of the United States and our increasing important lines of communication, particularly the sea lines of communication just alluded to, those lines of communications which link us to our markets abroad, to our allies and to Third World sources of military-significant minerals, have been seriously threatened by the militarization of Cuba, Nicaragua and the access to these territories of bloc nations and radical Arabs for intelligence collection, subversion, economic and political penetration.

A more pressing, immediate and visible security threat is Marxist fomented and supported armed conflict and violence which engulfs Central America and which threatens much of South America today.

Armed conflict in these regions stems from both internal dissent and external support.

Internal sources, of course, involve social discontent, partially created by unequal wealth, unfulfilled expectations, unpardonable repression and uncontrolled economic problems.

The external forces influencing events are mainly created by radical Arab and Marxist intervention in the forms of support and guidance to revolutionary groups and destabilizing intimidation made possible because of the unparalleled militarization in Cuba and Nicaragua.

Now, these judgments are again not mine alone. They are shared by a wide body of public opinion in Latin America.

During February to October of 1983 the U.S. Information Agency conducted a survey in five capital cities of Central America, Costa Rica, El Salvador, Guatemala and two of the major cities in Honduras, Tegucigalpa and San Pedro Sula.

These interviews were conducted with adults who had completed at least 1 year of secondary school, so they represented the intellectual elite in these countries.

The major findings of this survey are as follows—this was published just this month.

Perceptions of Nicaragua, Cuba and the Soviet Union are predominantly negative. These countries are blamed more than any others overwhelmingly for the problems that are faced in Central America.

Second, a victory by the government forces in El Salvador is widely preferred to a victory by the rebels.

The majority of those who are aware of U.S. military assistance to the Government of El Salvador approve of that assistance.

Third, the United States is more often described as interfering in the internal affairs of the surveyed countries than any other nation, but the United States is also perceived more than any others in a positive light in the economic field for political support and, most importantly, as a protector against military attack.

Finally, these more educated publics are suffering a crisis of confidence.

A substantial minority in all of the survey cities reveal uncertainty as to their economic outlook, the future of their national security and the region's political future.

You have, of course, the report of the National Bipartisan Commission on Central America which reinforces the fact that militarization of Nicaragua is perceived in Central America as the key problem which must be resolved if peace is to be restored to the area.

Let me outline briefly the extent of this particular problem. If we were to assemble today in this room 100 Central American military men proportionately representing the Armed Forces of the nations, 48 of the people in the room would be Nicaraguans.

These Sandinistas would have at their disposal 83 percent of the tanks in the region, 43 percent of the armored vehicles, 50 percent of the artillery pieces and 71 percent of the air defense artillery.

These 48 Sandinistas moreover have the self-proclaimed goal of doubling their size in the years ahead.

The Central Americans ask me again and again, as I travel among them, what is the purpose of this overwhelming armed force? How many tanks and artillery pieces do they need for legitimate self-defense? What kinds of requirements cause this massive disproportionate and destabilizing military growth?

This is the core security problem in Central America and it is one that must be addressed if, as I say, we are to restore peace.

But even if the principles of Contadora were adopted and acted upon and Nicaragua were demilitarized and we, consistent with those principles, were to withdraw in a commensurate manner, there would still remain these other vital interests of which I speak, drugs, refugees and economics, that would have to be dealt with.

The damage that drugs inflict on our society, as you know better than I, is immense. The former head of the Drug Enforcement Administration, Peter Bensinger, estimates that drugs cost the United States $16.5 billion annually in lost jobs and productivity and some $40 billion in drug-related accidents.

It is also estimated that Americans are spending, right now, somewhere between $50 to $100 billion annually on drugs.

Now, those statistics, as you consider the budget before you, are staggering. But in Southern Command they are a peculiarly important meaning.

Substantial evidence exists which links drugs, money, and the arms networks in Central America. The fact of the matter is that if you want to go into the subversion business, if you want to collect intelligence, if you want to move arms, if you want to undertake any of the nefarious activities that are condemned by the Contadora principles, you deal with the drug movers.

This is a fact that is well understood by all those who are engaged in the propagation of violence in Latin America.

Latin America supplies 100 percent of the cocaine that is consumed in this country, over 90 percent of the marijuana, and 33 percent of the heroin. That is a tragic legacy for our children.

Now let me turn to the refugee issue. There has been over in Washington National Airport a display on population which points out that one out of every two new Americans is an immigrant, and most of those immigrants, 9 out of 10 of them, come from the region for which I am responsible.

There are 1 million of them illegally entering the United States each year. Of the estimated 1 million Salvadorans who have been uprooted and left their country since the violence began in 1979, half are in the United States and there are 100,000 of them in New York alone.

Salvadorans are the largest single minority in the District of Columbia's school system today. But refugees are not a problem exclusively for the United States. They are a regional problem.

Costa Rica, which has struggled to support 17,000 Salvadorans, is being pressed with the flow of 800 to 1,100 Nicaraguans per week.

Costa Rica is a country that is almost broke. Their economy cannot handle this flood of indigents. There is no country in Central America which does not have this problem.

Last week General Noriega of Panama expressed his concern over what he characterized as the region's population bomb.

Honduras has the Miskito Indians driven out of Nicaragua by Sandinista oppression.

Hundreds of thousands of Salvadorans have been displaced inside of El Salvador and are swelling the population of El Salvador's larger towns and cities.

There are 100,000 Guatemalans in Mexico. The problem is growing throughout South America. Virtually no country is unaffected by it.

Now we are talking here about jobs. We are talking about welfare systems and we are talking about the cost of education, medical care and unemployment-related crimes, both in Latin America and in the United States.

In Latin America the costs are huge and political pressures explosive because funds for refugees are very scarce.

After a decade of real growth in the late sixties and seventies in Latin America, a general economic decline set in during the late seventies. Since 1979 gross domestic product and per capita income have declined, stagnated and recently turned negative.

Many of the countries of the region spend over half of their national income on debt servicing. These governments face a most difficult choice: Should they pay their external debts to outside lenders, or meet their internal deficits to their own people and to the refugee population.

In some cases there is no real choice for these governments because they lack adequate funds to do either. Solving one problem aggravates the other.

To pay the external debt service requirement, they may need loans and yet to qualify for loans or rescheduling of previous loans, they must initiate austerity measures and cut back on social problems creating internal discontent. They end up in a non-win situation.

Debt, shrinking exports, spending on social programs, are complicated by the refugees and contribute to the crisis in Central America in a kind of vicious cycle.

The general economic crisis in the region has directly hit at U.S. earnings from Latin America. They dropped about a fifth from 1981 through 1983, costing an estimated 72,000 to 90,000 U.S. jobs alone.

You are all familiar with the immense size of the Latin American debt problem. I am sure you understand most of that debt is carried by American banks and the threat of debt repudiation, if carried out, would reverberate throughout the towns and cities of the United States.

I cite all these economic realities because they are at the heart of the level of assistance recommended in the Jackson plan and the President's Caribbean Basin Initiative.

I support both of these measures, and I tell you that they are essential to protecting vital interests of the United States to which I have just alluded.

I am aware that some have raised concerns about the ability of the nations in the region to absorb such assistance. I offer you two considerations:

First, remember that the alternative is greater instability, violence and greater threat to the vital interests to which I have alluded.

Second, these same concerns have been raised before again and again, but particularly during and after the Alliance for Progress was launched in the 1960's.

Yet the Alliance contributed to a decade of growth in the seventies that preceded the current crisis. The recommendations of the Jackson plan are attainable, in my view, and we should enact the levels of security and economic assistance that have been recommended.

I thank you, sir.

[The prepared statement of General Gorman follows:]

PREPARED STATEMENT OF GEN. PAUL F. GORMAN, U.S. ARMY, COMMANDER IN CHIEF, U.S. SOUTHERN COMMAND

Mr. chairman and members of this Committee, I appreciate the opportunity to meet with you and discuss the US Southern Command and events in Latin America. This opportunity is particularly important to me since the Congress has in recent months become more widely interested in the United States Southern Command and the region for which it is responsible.

It has been almost a year since I assumed my present command and it has been a year of important and significant change in Latin America, especially Central America. I consider the most important aspect of change the fact that democratic forces are taking hold in the region, and that democracy is supported by the military sectors of those states. My command has been part of the US Government effort carrying a message of clear and unwavering US sponsorship and support for democracy. I can state that our actions have been and will continue to be designed to that end.

Let me capsulate the dynamics of the change occurring in Latin America and what I see as the US role, especially US Southern Command, in that process. Important US interests are at stake and these changes are not always accurately or adequately understood by the American people. I'll try to characterize this change by highlighting what I found initially and what I see today.

When I arrived in the region there was a clear US, and interestingly, a Latin American perception that the problem in Central America was El Salvador. Solutions were discussed in terms of winning or losing in El Salvador alone, in isolation from the rest of the region. Today there is a wider understanding both in our country and in the region that the problems of Latin America, and especially Central America, are primarily regional problems requiring regional solutions by regional players. For example, most Central Americans perceive their problem as the militarization of Nicaragua, and consider the problems of El Salvador but one part of a more significant regional set of problems that permit indigenous rigidity, instability and decay or malevolent outside forces to unleash violence. The Report of the National Bipartisan Commission lays out well the political, economic, social and security dimensions of the problems in Latin America and the requirement for a regional US approach if we are to be a constructive player in a long term solution. I support the Report and the Administration's legislation implementing its recommendations.

When I arrived in Latin America I found that traditional friends and allies viewed themselves as isolated and facing increasing internal and external threats. Many feared both the conventional military might and the threatened "Revolution Without Borders" of Nicaragua, and were apprehensive about the regional activities of the Cubans, Soviets, and radical Arab states. They felt unable to resist these forces unilaterally, or to come together for common action and strength. This is not surprising when you recall that the decade of the 1970's was a period of significant US strategic disinvestment from Latin America. The number of military people assigned to security assistance tasks in Latin America, dropped from 532 in 1970 to 84 in 1981. Funds for Latin American security assistance went from $137.5 million in FY 76 to $21.5 million in FY 80. Because of this withdrawal, we trained less than half the Latin American military students in FY 80 than we did in FY 76.

Strategic disinvestment was the result of deliberate US policy which decreased the number of Latin American countries eligible for IMET from 27 in FY 76 to 11 in FY 80. It was not only in the security assistance area that we were losing the capability to influence and control events by the loss of contact. It was occurring in all aspects of our military apparatus.

These trends have, of course, been reversed, and we are reestablishing our close military ties in the region. The growth is deliberate and carefully coordinated with our Ambassadors. Total number of security assistance personnel is 100 for FY 83, and we propose additions in 1984. Security Assistance Funds for all of Central America were $126.75 million in FY 83 and $114.05 million thus far in FY 84. This is too low if we are to avoid protracting the violence and death. These levels only return our total funding level to the levels of the early 1970's. Then we were not faced with challenges we are today. The Administration has a supplemental requesting $259 million for FY 1984 and $256 million for FY 1985. These additional funds are needed. For example, the student load is again increasing with 3300 trained in FY 83 and expected 25,000 to 29,000 through FY 84. Most of this increase is attributable to the Salvadoran and Honduran units to be trained at the Regional Military Training Center in Honduras. If we are to keep pace with the needs, these supplemental funds are essential.

When I arrived in Latin America I found a history of territorial disputes that hindered collective defensive action, but more importantly fouled the atmosphere of political dialogue and economic cooperation with mistrust and fear. These territorial disputes are emotional issues which must ultimately be resolved peace-fully if the region is to have the peace, prosperity, and participatory democracy we all seek. Progress is being made slowly, and we have been able to play a useful supporting role to U.S. diplomacy directed toward resolving the disputes.

As I settled into my new task, I found that the Congress, the Administration and my predecessor, General Nutting, had taken steps which allowed my command to begin addressing problems in the region relatively quickly, effectively, and efficiently.

AHUAS TARA I had been conducted in Honduras and a newly formed Honduran combined staff was in existence.

Important intelligence improvements had been started.

A study of the strategic requirements for El Salvador had been conducted and the Salvadoran armed forces were beginning a difficult transition to a more meaningful national strategy and operational tactics.

Finally, Nicaragua had been required to face guerrilla attacks from Nicaraguan insurgents.

Working with the Administration and the Latin Americans themselves, I emphasized five areas:

Professionalize the Latin American Security Forces. This goal is critical, especially in El Salvador. The Salvadoran Armed Forces have made important adjustments and change is occurring. The Salvadoran Armed Forces are supporting the progress toward democracy in their country; they are making important leadership changes which will impact on the problem of the death squads and low morale in their troops; they have adopted more relevant tactics; and they are participating fully in a National Campaign to revitalize their nation and their economy. The National Campaign is vitally important. It combines the Armed Forces and the civilian departments in a single coordinated effort to break the hold the guerrillas have on the economic vitality of the Salvadoran people and government.

Important changes have also occurred in Honduras. There the military is also supporting democracy. They are preempting insurgency by rooting out its infrastructure, preventing guerrilla units from establishing themselves when they cross from Nicaragua, and addressing the needs of the Honduran people with civic action and humanitarian assistance.

Intelligence: Intelligence is a tough business to manage with many facets but it is improving. We are collecting strategically using our technical means, and the Latin Americans are collecting the tactical and human intelligence. We share, and more importantly, they are beginning to share with each other. It is promising not only for the intelligence value but for the contact, dialogue and cooperation in other areas it has created.

Proper Role for US Forces: The United States has had a clear and consistent national strategy on the proper use of US forces in a counter-insurgency role in low intensity conflicts. This has been called in turn the Truman, Eisenhower, Counterinsurgency (under Kennedy) and Nixon Doctrine. We assist and train; they fight. The United States is applying this same division of labor now in Latin America. AHUAS TARA II, the most recent US and Honduran exercise was designed to execute this strategy by assisting Honduras to deter and defend itself from external threats.

AHUAS TARA II emphasized the use of medical, intelligence, and engineer units—not combat forces. Our primary goal was to improve US readiness through the training of CONUS based forces which would be called upon to execute US contingencies. AHUAS TARA II exceeded my expectations. Honduras is a marvelous training area for our forces and as a good friend of the United States, the Honduran Government has invited us to return, which we plan to do.

Border Problems: It is difficult to foresee lasting peace in a region with festering border disputes. Because these issues involve such high emotionalism and nationalism, the reality is such that any particular country's armed forces can be a powerful influence for continuing or solving these disputes. But if they are to be solved, these armed forces must be players. We in USSOUTHCOM have worked hard with the regional US embassies, DOD and State on these issues and progress is being made. The most dramatic example of progress is the Joint Salvadoran-Honduran Border Marking effort currently on-going to settle a territorial dispute that goes back to their 1969 war. I believe there is now an opportunity to settle amiably this issue.

Structure of USSOUTHCOM: My organizational goal for USSOUTHCOM was to make the command more efficient and effective in meeting its regional responsibilities without spiraling growth in its overall strength. My goal was to lower the number of US military personnel in Panama. This is necessary for several reasons not the least of which is the fact that current forces in Panama are the wrong types of forces to fulfill the command's regional responsibilities. We also face a critical and costly housing shortage which will get worse with time. These realities argue that we plan now for a smaller US military presence, and I have done so. This seems relatively straight forward. But it was made complex by events in the region which required the Southern Command to be prepared for a number of contingencies to protect US interests in Central America and by the small staff existing in USSOUTHCOM as a result of the strategic withdrawal I outlined earlier.

Let me focus for a moment on this problem because it really is not well understood. Under the National Security Act of 1947 as amended, the United Commanders are the operating arms of DOD. As such they have two primary functions—planning and warfighting. These military skills require knowledge, experience, and judgment. Normally a military officer does not receive his initial joint staff assignment until he is a senior captain or a junior major, and usually will serve as an apprentice to a more senior officer. In most unified commands it is the Lieutenant Colonels and Colonels who actually do the planning jobs, and these officers usually work under the daily supervision of a general officer.

If we compare USSOUTHCOM to other unified commands, say the European Command and the Central Command, you will find that not only do they have bigger staffs in officer strength (USEUCOM, 299; USCENTCOM 438; USSOUTHCOM 136), they have more general officers assigned (10 for USEUCOM, 9 for USCENTCOM, and 2 for USSOUTHCOM—one of whom splits his day between SOUTHCOM and the Air Force HQ) and the average grade authorized is significantly higher. Recall I said earlier that a junior major is probably on his first planning assignment; over 60% of my staff are captains or majors as compared with an average of about 36% in the other 5 Unified Commands. Recently I compared my staff to the Joint Staff in Washington to judge where my staff training needs were. I discovered that the average OJCS officer, a Colonel or Lieutenant Colonel, worked very hard, but my Captains and Majors had a week 16% longer than that average OJCS officer.

With this background in place let me return to my organization goal. To accomplish the organizational goal I clarified and focused the missions of the US Southern Command. A copy of these missions is appended to this statement. The mission statement accurately captures the regional nature of Southern Command's missions as assigned by the President, the Secretary of Defense, and the Joint Chiefs of Staff. We are also improving the command, control, and communications, and ADP capabilities of the command. I have involved my Component Commanders and their staffs in joint planning and exercising, and as mentioned previously, we are developing an improved intelligence capability.

In terms of growth we will succeed in lowering the overall US military strength in Panama by several hundred over the next few years. I expect some increase in my staff, but we will still be the smallest of all the unified commands. When I first joined USSOUTHCOM, no offices existed to coordinate medical and engineer efforts and the intelligence staff was too small to manage efficiently and economically the expanded assets I spoke of earlier. These are key areas in the execution of our strategy.

Finally, to properly coordinate the increasing number of visitors to the region and USSOUTHCOM, I am establishing a small protocol section so visits will be efficient and maximize the benefits of the time involved.

As I mentioned at the beginning of this statement, this past year has been a year of change. I am pleased to report to you that the US Southern Command is better prepared to execute its missions to protect collectively or unilaterally US interests. But I am even more pleased to report to you that because of the support of the Administration and the Joint Chiefs of Staff, and the success and the peaceful nature of our joint political and military activities in the region, embodied in AHUAS TARA II, such US action is *less* necessary today. When peace finally comes to that region, it will be fundamentally because of the individual and collective actions of the region's progressive and democratic governments to set a sure course toward peace, prosperity, and participatory democracy by influencing and controlling events which affect their lives and homes.

USSOUTHCOM Missions

The Commander in Chief, United States Southern Command, by direction of the Secretary of Defense, through the Joint Chiefs of Staff:

Exercises operational command over U.S. Forces on the land mass of South America and Central America less Mexico, and acts therein as the principal agent of the Department of Defense for implementing national security policy and military strategy.

Prepares strategic assessments and contingency plans, and conducts training or operations as directed by the Joint Chiefs of Staff for:

Coordinating the activities of service components, assigned and augmenting forces, and supporting maritime forces.

Supporting other unified and specified commands.

Disaster relief, search and rescue, or evacuation of U.S. citizens from endangered areas.

Strategic and tactical reconnaissance.

Countering international terrorism, subversion and illegal traffic of arms and drugs.

Fulfilling provisions of the Inter-American Treaty of Reciprocal Assistance and other mutual security pacts.

Supports and assists U.S. Country Teams of the region, and facilitates coordination of U.S. military activities under their purview.

Monitors security assistance programs in South and Central America, including Mexico, and commands and supports therein the Military Assistance and Advisory Groups/U.S. Military Groups/U.S. Military Liaison Offices/Offices of Defense Cooperation.

Promotes among nations of the region mutual security and development through combined intelligence exchanges, planning, training, humanitarian assistance, nation building and other operations to:

Maintain peace, strengthen democracy, and advance economic and social wellbeing.

Counter Soviet and Cuban militarization and other destabilization undertakings.

Insure interoperability with, and encourage standardization and rationalization among, prospective allies of the region.

Provide access to, or acquire as needed for U.S. Forces, support facilities, communications systems, and operating, transit, or overflight rights.

Safeguard U.S. access to raw materials and energy resources.

Provides for the defense of the Panama Canal and for other Department of Defense obligations per the Panama Canal Treaty of 1977.

Chairman TOWER. Thank you, General Gorman.

General Stone.

STATEMENT OF GEN. HOWARD STONE, U.S. ARMY, CHIEF OF STAFF, U.S. EUROPEAN COMMAND

General STONE. Thank you, Mr. Chairman. I appreciate your permitting me to represent General Rogers, General Lawson and the European Command.

I am delighted to have the opportunity to appear before this committee, particularly in view of the impending markup on the Defense budget and in view of the crucial role that the European Command has in maintaining national security.

I have provided my statement. With your permission I will highlight that.

In developing command priorities within Europe, we ask ourselves what are the key considerations for European Command. We settled on four.

The first consideration is the USEUCOM role in support of the deterrence and defense and our role in preparing and providing forces in support of Allied Command, Europe, or ACE.

Our second consideration is the growing Soviet Warsaw Pact threat to NATO's geographic security, a threat that is underscored by increasing military capability about which you have heard much already in previous testimony from the Secretary of Defense, the Chairman, and General Peat of the JCS, and an increasing effort by the Soviets to isolate the West from North America, leaving West Europe alone to face the threat of nuclear missiles and overwhelming conventional might.

Our third consideration is the strength and capabilities of our NATO allies and America's friends.

The fourth consideration is the increasing threat in the non-NATO portion of USEUCOM's area of responsibility.

Now, moving to the four priorities established by General Rogers and General Lawson. The first area is to improve readiness by enhancing the quality of life of our people.

How do we do this? By seeking to upgrade the living and working conditions of our people, improving the way we manage and lead our people.

We need to reduce the backlog of maintenance and repair, improve morale, welfare, and recreation activities, maintain the emphasis on adequate pay and improve the quality of our Department of Defense overseas schools.

A second area is to do better with what we have. How is this possible? By managing, training them better. Readiness and sustainability are the bottom line and they are the key and the current emphasis there should be maintained.

Now, this also means that we seek to be able to more rapidly reinforce our forward deployed forces. Further it means that we seek to make our in-being forces more survivable than they currently are.

Moving to the third area, we emphasize essential modernization programs. The successful completion of the ground-launched cruise missile and the Pershing II system is included here. In the conventional forces we seek to improve our capability to target and to attack enemy follow-on forces, improve our air defense and air support capability and enhance the security and survivability of our command control and communications systems.

The fourth and last area of emphasis is to make necessary additions to the force structure. This includes the necessary support for modernization programs that have been authorized by Congress, Army aviation, the Blackhawk and Apache attack helicopter.

Force structure expansion is important to III Corps in that area, the GLCM and Pershing II and tactical aircraft deployment of the F-15 and F-16.

In view of these priorities then, where are we in European Command?

Our mobility and reinforcement capability has not kept pace with demands. The early days of a crisis or conflict are crucial. The ability to move within theater, to correct forces malpositioned in peacetime and to reinforce from the United States is essential.

Our judgment at European Command is the pace and scope of mobility/reinforcement programs, coupled with additive lift requirements to include the adverse impact of European troop ceilings, are insufficient to meet our national objective to reinforce NATO with 10 divisions and 60 tactical aircraft squadrons by "M" plus 10.

We have a significant imbalance in our combat-to-combat support ratio. HNS agreements and increased readiness of reserve components help, but do not entirely alleviate this nagging shortfall. We simply do not have the capability to receive, store, or shelter and distribute forward our sustainment personnel, munitions, combat equipment, and petroleum stocks.

Some munition stocks, most notably air-to-air missiles, naval munitions, and specialized, high technology munitions are well below our required stockage, to the point where they could be classified as "war stoppers".

Communications is still well behind the state of the art; it lacks the capability to provide timely information from which to base decisions. The existing capability, even with funded improvements lacks adequate survivability for continuous operations.

We need to focus our efforts toward survivable, secure, jam resistant, hardened communications to effectively manage existing and programed forces.

Air defense is another soft spot in our defenses. An improved air defense capability is essential to the survivability of assets and facilities.

Patriot and Divad are yet to be funded at levels necessary to meet the rapidly growing threat.

Colocated operating bases and shelters, also necessary to the survivability of assets and facilities are equally serious shortfalls.

Our lack of a chemical retaliatory capability and inadequate defensive capability leave us today with virtually no deterrent against Soviet Warsaw Pact first use—other than the potential of escalation to nuclear weapons.

A far more realistic deterrent to Soviet first use of chemical agents is a chemical defensive and retaliatory capability sufficient to deny the Soviets any warfighting advantage by chemical first use.

An area that has caused consternation within the European Command is the European troop strength ceiling as it does impact virtually all priority areas in USEUCOM.

I urge you to remove any European troop strength ceiling. A ceiling impedes the programs necessary to improve our defensive capability.

As the Warsaw Pact continues to upgrade and enlarge its forces, we are faced with the prospect of having to slow modernization and losing combat forces in Western Europe so as not to exceed the European troop strength ceiling.

Such an occurrence obliges continued reliance on nuclear weapons to deter conflict and, of course, lowers the nuclear threshold.

Another area of increasing concern is infrastructure and host nation support. Both of these broad areas generally have had reluctant support in Congress. That we continue to urge them to you is simply a function of the fact that they offer a most efficient means of satisfying many of our support needs.

Withholding moneys from these areas as a lever to encourage the allies to do more, we suggest has not proven to be an effective tool. We believe that your attention to these accounts can serve as a barometer of U.S. congressional leadership in this area.

Mr. Chairman, I wish to assure you and Members of the committee that USEUCOM understands and appreciates the constraints and competing demands imposed on the Congress.

We also recognize our need to return utmost military capability for the troops and material entrusted to us.

Although we have shortfalls in the European Command, I assure you that USEUCOM is a challenging and rewarding assignment for all. The trends are positive. All three component commanders will tell you that they have never seen higher quality troops in their 30-plus years. They are first rate.

One indicator is that we now have 91-percent high school graduates. Our training program in Europe is sound. The mood is upbeat from privates to generals. We are doing better in many key areas.

We appreciate your help in these areas, especially in matters of readiness and modernization where trends now are favorable. We continue to need your help. Any decreases now would have adverse multiplier effects that need to be avoided.

This completes my overview, Senator Tower. Thank you and distinguished members of the committee.

[The prepared statement of General Lawson, submitted by General Stone follows:]

PREPARED STATEMENT BY GEN. RICHARD L. LAWSON, DEPUTY COMMANDER-IN-CHIEF, EUROPEAN COMMAND, SUBMITTED BY GENERAL HOWARD STONE

Mr. Chairman and distinguished members of the committee. I am pleased to appear before this committee and provide, for the record, this report on U.S. Forces in Europe—those armed forces that are America's forward-deployed or U.S.-based commitment to NATO's Allied Command Europe (ACE). Before discussing the status of U.S. European Command (USEUCOM), a perspective on two security issues facing European Command is necessary.

SECURITY ISSUES

Two major challenges face USEUCOM. These challenges are indivisible—that is to say they are mutually necessary to support the defensive strategy of flexible response as embodied in the NATO strategy MC 14/3. These challenges are:

(1) Strengthening our nuclear deterrence and defense.

(2) Improving our conventional deterrence and defense.

NUCLEAR DETERRENCE

Strengthening nuclear deterrence is defined by the two-track decision of December 1979 on the modernization of intermediate-range nuclear forces. Since the Soviet Union has yet to be forthcoming on the negotiation track, we have begun deployment of Pershing II and Ground-Launched Cruise Missiles (GLCM). Our challenge is to remain firm in the resolve to continue deployments of GLCM/PII and to pursue negotiations. That resolve is necessary to deterrence and to bring the Soviets back to Geneva to negotiate seriously.

U.S. resolve to ensure the adequacy of its strategic nuclear deterrent is equally vital—for it is this capability that serves as the ultimate guarantor of deterrence. Realization of the President's five-point strategic nuclear modernization program is critical to success in this area.

CONVENTIONAL DEFENSE AND DETERRENCE

A second challenge affecting security is the improvement of conventional forces. This has been a goal for many years, however, progress has been sporadic and inconsistent in terms of pace and scope. During the same period the Warsaw Pact has steadily improved the quality and increased the quantity of its conventional forces and has progressively increased its conventional warfighting capability. As a result, our current conventional posture still leaves the deterrence of a nonnuclear attack relying on the threat of early first use of nuclear weapons.

To qualitatively strengthen conventional forces will substantially add to deterrence and raise the nuclear threshold. In doing so, we are not seeking to match the Soviet conventional capability, nor do we seek a war winning capability.

Instead, we seek sufficient capability to deny the Soviets the possibility that a conventional attack will be so disruptive that we are rendered impotent and quickly capitulate.

Such improvements are costly, even with increased efficiency in defense spending. But I know of no adequate alternative to these deterrence and defense measures. Abandoning forward defense or relying exclusively on new, as yet unfielded, battlefield technology as a substitute for overall conventional defense improvements may reduce cost in the near-term—but fails the test of offering sufficient deterrence. Technology will boost our efforts, but it cannot replace the significant financial commitment to conventional capability required for credible deterrence.

U.S. EUROPEAN COMMAND STATUS

Now I would like to turn to the status of U.S. forces in Europe. First, I am pleased to report that each of the Component Commanders advises that his men and women are the finest he has seen. Today U.S. European Command (USEUCOM) is receiving motivated and well trained young men and women, without question the best qualified in our Nation's history. Our challenge is to provide them equally qualified leadership, modern equipment on which to train and a quality of life conducive to the atmosphere necessary for an Armed Force of excellence.

In a number of readiness and sustainability areas, persistent shortfalls should be substantially improved by the end of the program period (fiscal year 1985 through fiscal year 1989). This is significant for two reasons. First, only a few years ago the "get-well" dates for most items in readiness and sustainability were well beyond the program period and the trends were adverse. Now, with recently added emphasis, shortfalls in most areas are of a more manageable size with the trends being positive. Second, we have made modest progress in reducing the funding bow wave which deferred to the outyears the commitment of monies in readiness and sustainability. The continual presence of a bow wave has, in the past, precluded our getting well. We will need to continue to address this problem by assuring that required annual funding is provided to these accounts so that we maintain the favorable trends in readiness and sustainability.

With the help of Congress, we have made progress in other readiness and sustainability areas as well. Your support of the recent pay raise was a necessary ingredient in assuring that our people receive adequate pay for their many sacrifices. Lifting the restriction on POMCUS Sets 5&6 now brings us closer to the ability to meet our commitment of 10 divisions within 10 days. The first four POMCUS sets are now nearing completion, with at least 80 percent of their required equipment. Army Pre-positioned War Reserves Materiel Stocks of Ammunition and Class VII items should be 90 percent filled by fiscal year 1989 while similar classes of Air Force stocks will reach 100 percent of requirements during the period.

The Wartime Host Nation Support Agreement with the Federal Republic of Germany is now underway, eventually to provide a force of 93,000 reservists to assist U.S. forces in their combat support and combat service support missions. Additionally, there are 90 other Wartime Host Nation Support Agreements either completed or in negotiation. Each of these agreements supplements U.S. capabilities with a portion of the cost and personnel requirements shared by host nations.

Turning to modernization and force structure, Pershing II and the Ground Launched Cruise Missile program deployments are crucial improvements to our deterrence and defense capability. These programs are proceeding satisfactorily.

On the conventional side, both the M–1 Abrams Tank and the Bradley Fighting Vehicle are now being issued in Europe. These vehicles give our soldiers a technological edge on the battlefield for the first time in over a decade. However, it will be several years before we have sufficient numbers of these fighting vehicles to make a difference in force capability comparative analyses. Funding must continue at least at current levels if we are to achieve this difference.

The F–15 and F–16 are replacing the F–4 as our primary fighter aircraft. The TR–1 aircraft, and its associated sensor suites, will provide an added dimension to our capability to determine the enemy's capabilities and actions—as demonstrated by the Limited Operational Capability—Europe (LOCE) currently in theater. The Multiple Launch Rocket System is being fielded on schedule as are several other force multipliers. However, each of these systems carries an added requirement for military personnel.

The areas just mentioned can be considered as strengths. We also have weaknesses. Our mobility and reinforcement capability has not kept pace with demands. The early days of a crisis or conflict are crucial. The ability to move within theater, to correct forces malpositioned in peacetime and to reinforce from the U.S. is essential. Our judgement at European Command is that the pace and scope of mobility/reinforcement programs, coupled with additive lift requirements to include the adverse impact of European Troop Ceilings, are insufficient to meet our national objective to reinforce NATO with 10 Divisions and 60 Tactical Aircraft Squadrons by D+10.

O&M shortfalls carried forward from previous years continue to hamper current readiness, in spite of recent increases in the program. Battalion field training days, aircraft flying hours and ship steaming time are well below the level where we can feel confident.

We have a significant imbalance in our combat to combat support ratio. HNS agreements and increased readiness of reserve components help but do not entirely alleviate this nagging shortfall. We simply do not have the capability to receive, store, or shelter and distribute forward our sustainment personnel, munitions, combat equipment, and petroleum stocks.

Some munition stocks, most notably air-to-air missiles, naval munitions, and specialized, high technology munitions are well below our required stockage, to the point where they could be classified as "war stoppers".

Communications is still well behind the state of the art; it lacks the capability to provide timely information from which to base decisions. The existing capability, even with funded improvements, lacks adequate survivability for continuous operations. We need to focus our efforts toward survivable, secure, jam resistant, hardened communications to effectively manage existing and programmed forces.

Air defense is another soft spot in our defenses. An improved air defense capability is essential to the survivability of assets and facilities. Patriot and Divad are yet to be funded at levels necessary to meet the rapidly growing threat. COB's and Shelters, also necessary to the survivability of assets and facilities, are equally serious shortfalls.

Chemical retaliatory capability and defensive capability leave us today with virtually no deterrent against Soviet/WP first use—other than the potential of escalation to nuclear weapons. A far more realistic deterrent to Soviet first use of chemical agents is a chemical defensive and retaliatory capability sufficient to deny the Soviets any warfighting advantage by chemical first use.

Finally, it has become apparent that a successful defense requires a capability to attack and interdict the enemy's follow-on forces before they can be introduced into the battle. Our ability to locate and target those forces is a matter of priority. Yet to date we have failed to fund many of the systems required due to budgetary trade-offs for systems to counter the first echelon forces. The inability to coordinate and integrate conventional land, maritime, and air power to interdict follow-on forces is a key deficiency in withstanding and countering, with non-nuclear means, an enemy attack.

Last year, four USEUCOM Command-emphasis priorities were identified to Congress. Today, these same priorities continue to guide USEUCOM. The first priority is Quality of Life. Quality of Life provides basic support for servicemembers and their families—allowing the servicemember to focus on his military responsibilities. The American commitment to its volunteer servicemembers, especially in view of the greater demands and sacrifices that a military career requires from each servicemember and his or her family, must be evident in the way we manage and care for our people. Since we expect more from our people, we must provide a combination of direct compensation and other rewards and conditions designed to enhance effectiveness, retention and loyalty. The provision of adequate pay, suitable living and working conditions, medical and dental care, and in overseas areas, school facilities coupled with well-managed educational programs are among the key barometers of this commitment.

The second of the European Command four priority areas is doing better in the manning, equipping, training, maintaining, sustaining, and reinforcing of our forces in Europe. To help close the gap between our force capabilities and those of the Warsaw Pact, our forces must be trained, ready, and sustainable. For too long, our conventional forces have not had the readiness and staying power to insure deterrence or defense. The most difficult of defense decisions involves trading off one requirement for another in order to maximize capability within a given budgetary limit. This problem is addressed from a variety of perspectives: that of a Service Chief, a member of the JCS, and as a Unified Commander. Despite sincere intentions, each perspective has a somewhat different solution—causing the delicate equilibrium among the various elements of our military capability to get out of balance, traditionally to the detriment of readiness and sustainability. Three years ago we began to face this fact and take countermeasures to balance emphasis more equitably. The requirements of the Combatant Commanders, including USCINCEUR, have received additional attention. And, we believe that we have been successful in realizing a more equitable balance among research, procurement, and readiness.

The third European Command priority is essential modernization. For USEUCOM this priority area includes the minimum essential necessary so as to maintain the overall balance among readiness, sustainability, modernization and force structure. We consider the modernization programs to be limited to the most immediate demands among a larger list of needed improvements. Modernization programs must now be reassessed in view of the European End Strength decision as the associated personnel needed to support modernized systems may preclude their deployment to Europe. While modernization programs typically replace older systems with new ones on a one-for-one basis, the associated personnel and support for the new system generally are larger. The added support and people are understandable when considering that, for example, the M-1 tank is more than 30 years more advanced than the tank it replaces.

The fourth European Command priority is adding force structure. Programs in this category are intended to remedy capability shortfalls in existing weapon systems (for example, providing III Corps with an adequate Combat Support/Combat Service Support (CS/CSS)) and to provide additional combat capability where needed to accommodate the ever-increasing Soviet threat (the Multiple Launch Rocket System, TR-1 and associated sensor, fusion, and C2 capabilities, and mine counterwarfare measures are examples). Again the European End Strength decision is causing us to consider revisions in our plans for the additional force structure necessary to counter added Warsaw Pact conventional capability.

WHERE IS USEUCOM HEADED?

As previously stated, USEUCOM priorities have not changed since last year. Quality of Life for our people will continue to receive attention. Emphasis on readiness and sustainability where we can, and modernization and force structure where we must, remains appropriate. Although our priorities and emphasis remain unchanged, we do remain sensitive to change. At the same time, we seek to avoid radical changes in emphasis between readiness/sustainability and force structure/modernization. Long-term stability and consistency among the various budget accounts will result in more rapid increases in capabilities and fewer cost increases passed on by industry.

At USEUCOM (and throughout the Alliance) there is a growing awareness that deterrence and defense are not unilateral, national functions. Instead, more attention is being paid to the fact that we will deter and defend in a coalition effort. Thus, as we at USEUCOM assess U.S. force and weapons capability requirements, we keep constantly in mind the potential for coalition or specialization in the fielding of necessary weapons or capabilities. The Follow-on Forces Attack capability requirement is a good example of what we are thinking about. One nation has already developed an area targeting system. Why not have them develop that system for all Allied use? Another of our Allies is well along in developing airfield attack munitions so why not let them develop these munitions for the Alliance. Our nation is well along in developing terminally guided munitions, so why not have this expertise developed for all the Allies to use. If such a concept can be worked out, the idea of specialization and coalition acquisition makes a lot of sense—holding promise for eliminating cost duplication and fostering efficient development and acquisition costs.

One area that has caused great consternation within Europe and DOD is the European Troop Strength Ceiling as it impacts virtually all priority areas in USEUCOM. Continued imposition of the ceiling will impede approved programs necessary to improve our defensive capability and raise the nuclear threshold. As the Warsaw Pact continues to upgrade and enlarge its forces, we are faced with the prospect of slowing or eliminating modernization in Western Europe so as not to exceed the ETS ceiling. Such an occurrence ensures continued reliance on nuclear weapons to deter conflict—and lowers the nuclear threshold accordingly.

Some officials have advocated civilianizing more military positions. We have carefully analyzed this idea—civilianizing to the maximum extent. Today, we believe we have virtually eliminated those positions left in Europe where wartime duties can be accomplished by civilians who have no legally binding contract to stay on the job.

To meet various competing demands, some reduction in modernization is now being considered by DOD and the services. As a result, some reduction in current USEUCOM units may be recommended. We believe that all structure so eliminated should be dual-based so that its rapid return during times of increased tension is made possible. However, we realize that dual-based units multiply our reinforcement lift problems and prolong indefinitely our inability to meet reinforcement objectives. If units are returned to the CONUS, the FY85 budget request will have to be amended to fund the return of units to CONUS, and to provide basing and training facilities. This hidden cost of the ETS ceiling is just beginning to be assessed—but could be substantial.

To meet our current and future needs, modernization of existing systems and fielding of new systems are being considered. These research, development, and procurement decisions today have an impact on theater personnel manning tomorrow. This additional consideration during the decision process unnecessarily compounds decisions regarding the development and procurement of new systems.

A BALANCED APPROACH TO FUNDING

Often we in the Defense Department are criticized for not spending defense budget monies wisely. Such a judgement is based in part on a perceived lack of improvement in readiness, preparedness or other measures which reflect the state of our military might as a nation. Our own statements of the threat and our position relative to our potential adversaries, because they reflect a seeming lack of improvement, might cause one to question our ability to utilize effectively and efficiently the resources provided each year. In fact, increases in our funding over the past few years have improved our capability in a significant manner. And, we believe we are spending defense dollars wisely. However, several factors militate against showing dramatic, immediate improvement in force preparedness and capability after these budget increases. First, leadtime between the budget authorization and the fielding of capability in theater precludes such a comparison since it is common for two to five or more years to pass in the interim. The second factor is our capability growth vis-a-vis the Warsaw Pact. We have seen a steadily increasing capability on their part in recent years—a fact which tends to mask our improvements when doing comparative analyses. Hence, despite our improvements, the potential opponents retain either a technological or quantitative advantage in most areas of force comparison. In some areas they have both.

However, I can report that the current trends in USEUCOM are positive over the long run. Moreover, the relative balance of emphasis among priority areas is in approximate equilibrium.

The last area I wish to address is the support of our servicemembers in Lebanon. I can assure you that, as the situation and threat has evolved, all members of the USEUCOM chain of command have made every effort to provide for and enhance the security of these forces. The mission statement, rules of engagement, and physical security are under constant scrutiny—with revisions made when appropriate. We are actively involved in the redeployment of our Marine contingent of the MNF, and we are mindful of the risks to be guarded against as forces ashore are drawn down. The substantial construction effort on protective bunkers and obstacles, and the sophisticated intelligence collection and analysis capability now deployed in support of the USMNF, provide added assurance for our forces' successful reembarkment. The presence of substantial Naval forces offshore will insure that our commitment to the continued security of our forces will be met. Our Naval forces have demonstrated the capacity to take decisive action when the USMNF is threatened. In the future, the presence of the embarked Marine Amphibious Unit also will serve as a guarantee of resolve to act if U.S. citizens remaining in Lebanon are threatened. Finally, USEUCOM will continue to focus its security assistance efforts toward enabling the legitimate leaders in Lebanon to establish a *modus vivendi* with all political factions, negotiate the withdrawal of all foreign forces, and establish sovereignty over a peaceful Lebanon.

Mr. Chairman, I wish to assure you and the members of this committee that USEUCOM understands the constraints and competing demands imposed on the Congress. We also recognize our need to return utmost military capability for the men and materiel entrusted to us. The needs of our society are many, but the most important of these is security under which peace with freedom can flourish. In assisting USEUCOM in its mission, I would suggest that the following are areas in which Congressional support is essential:

QOL—Quality of Life is a complex set of variables that serve to keep our servicemembers focused on their job, rather than the day-to-day welfare of their families. The pay raise this year is appreciated. However, QOL is far more than just salary. Those programs associated with the physical and emotional well-being of families are equally important—things like retirement, commissaries, medical care and the less tangible benefits. These benefits are seen as part of a pact made between each military member and the nation at the time the individual volunteered to join the Armed Forces of the United States. I believe that suggesting changes to the retirement system may be the single most demotivational factor today in the area of QOL. We must proceed in this area very carefully, lest these suggested changes be perceived as a breach of the enlistment agreement. At a minimum, the suggestion that we seek to reduce benefits has a very negative impact—no matter how slight the real loss. In Europe, there is a unique QOL area that does not impact those in uniform in the CONUS. That is the area of family member education. The DOD schools system is crucial to the well-being of the servicemember with school age children. This system must continue to receive priority attention and support.

Maintain Trends—We recognize that Congressional adjustments to the President's Budget proposal are inevitable. We would urge that as you contemplate changes, you take care not to upset the overall equilibrium among the budget accounts that make up readiness, sustainability, force structure and modernization. A major shift in emphasis at this time would discount the efforts of the past three years and risk the reversal of many of the positive trends that we are beginning to see.

Infrastructure and Host Nation Support—Both of these broad areas generally have had reluctant support in Congress. That we continue to urge them to you is simply a function of the fact that they offer a most efficient means of satisfying many of our support needs. Withholding monies from these areas as a lever to encourage the Allies to do more has not proven a useful tool. We believe that your increasing attention to these accounts can serve as a barometer of U.S. leadership in this area.

JCS Special Fund—While force planning and programming can be done with a degree of proficiency, predicting the time and the location of the next crises cannot be done with any degree of accuracy. At present, when unforeseen requirements arise, the CINC must seek funding to meet these crises through established and lengthy Service channels—a time-consuming process that has not always proven responsive. To allow us to satisfy emergency requirements, the JCS special fund would be very helpful.

Security Assistance—The contribution of these programs to standardization and interoperability within the NATO Alliance, and the contribution to stability and security in Africa is substantial. The nominal cost of our Security Assistance programs, both within the Alliance and within the USEUCOM area of operations, results in a long term return on investment that is far greater than the initial costs. Your strong support of these programs is encouraged.

New Systems/Force Structure—Although the emphasis on readiness and sustainability of in-being forces is essential to deterrence and defense, it is recognized that mismatches between force structure and force requirement are, in selected areas, a limiting factor in a NATO/Warsaw Pact confrontation. Among the most crucial needs are the following:

Mobility/Reinforcement—In day-to-day peacetime operations, it is the non-U.S. NATO Allies that provide that majority of forces in Europe that are forward deployed. Deterrence of conflict is a function of these forward deployed forces and the large reinforcement commitment of the U.S. We encourage your favorable consideration of those air and sealift programs and associated support programs in the FY 85 defense budget which are required to effectively support the U.S. reinforcement commitment.

Survivability of in-place forces encompasses a wide-range of new systems and additive force structure. Additional aircraft shelters and adequate facilities at Collocated Operating Bases (COBs) are one element of the survivability equation. Improved air defense capabilities, including longer range ground to air systems able to protect large, widely-dispersed areas, are another element of survivability. Full deployment of the Patriot air defense missile is a necessary step in this regard. Air superiority is another element of survivability. F-15/F-16 and F-14/F-18 aircraft, coupled with sufficient weapons (air-to-air and shipboard anti-air) to engage Warsaw Pact aircraft at long distances and in bad weather, are necessary to survivability of assets, installations, and personnel.

Intra-theater Mobility—To quickly correct the peacetime malpositioning of forces and to respond to changing battlefield conditions, additional intra-theater lift is essential. The forward deployment of additional tactical airlift (C-130) and the procurement and fielding of the new Blackhawk helicopter (UH-60) represent the minimum essential improvements in this area.

Chemical Warfare Deterrence—Warsaw Pact chemical weapons place the entire European theater at risk. Deterrence of their use is dependent on continued efforts to defend against chemical agents (detection devices, antidotes, decontamination equipment, and protective devices that allow sustained operational effectiveness) and the acquisition of a standoff, persistent agent delivery system.

USEUCOM's C3I facilities and capabilities need substantial improvements beyond that progress currently envisioned. This is an area of special interest within DOD and for USEUCOM and includes a vast list of initiatives and programs. Key elements include: Nuclear Force Management (Warning, Connectivity, and C2); Conventional Force Management (Information Collection and Distribution and C2); Electronic Warfare and C3 Countermeasures.

European Troop Strength—This restriction has served a useful purpose and should now be lifted. We have thoroughly assessed our European requirements and we have validated those remaining in theater. We will continue to manage these personnel assets carefully and prudently. To continue the ETS as a lever to encourage Allied contributions is not a useful method. Moreover, it precludes necessary force modernization, in turn, lowering the nuclear threshold.

In closing, I would note that there is a growing awareness that the Unified Commander and the Unified Command Headquarters are essential to more than just fighting a war should deterrence fail. The role of the Unified Commands and their Headquarters Staffs in ensuring deterrence by being full participants in the Washington-based Planning, Programming, and Budgeting process is now seen as far more important than in past years. The ability of the Unified Command Headquarters to speak for combined and joint warfighting needs is essential to reducing duplication and eliminating gaps in force requirements and in warfighting capability. At USEUCOM, we are accutely aware of this relatively new responsibility and we are working diligently at improving the quality of our contribution to the Washington-based Planning, Programming, and Budgeting decisionmaking process. We see this greater role for the Unified Commander as the way ahead for USEUCOM to achieve substantial improvements in what have been nagging and long term deficiencies in readiness, sustainability, reinforcement capability, and the non-mission specific areas of communications, intelligence and warning, and specialization/coalition development of new weapons and weapon systems.

Chairman Tower. Thank you, General Stone.

U.S. SECURITY IMPLICATIONS

Admiral McDonald, would you tell us as precisely as you can what the implications would be to the security of the United States if there were a substantial hostile military presence in Central America or in the Eastern Caribbean states and what the implications would be for our ability to mobilize in the event of a crisis in Western Europe.

Admiral McDonald. Mr. Chairman, as you are only too aware, any establishment of a hostile government in Central America or in the Eastern Caribbean states poses a dire threat to our security and to our well being economically in the United States because of the potential interdiction of the sea lanes of communications which are absolutely vital for our economy today.

You will note that those sea lanes that come through the Panama Canal and proceed through the Gulf of Mexico or through the Caribbean Islands to the east coast ports could easily be interdicted or at least subject to interdiction by any hostile government in the Caribbean.

Chairman TOWER. I am thinking of the establishment of naval or air bases in Central America hostile to the United States or in the Eastern Caribbean.

Admiral McDONALD. Yes, sir, and they would play a significant role.

Grenada was very important to look at in that perspective. Had the island of Grenada continued to come under the influence of Cuban and Soviet-supported governments, the sea lanes transiting through the Caribbean to the Canal or to the United States could have easily been interdicted.

I don't think there is any question that strategically Central America and the Eastern Caribbean nations are absolutely vital to our economic security and to the projection of forces which, should we become involved in a NATO confrontation, would be necessarily transported through that area.

Cuba poses a tremendous threat to us, Mr. Chairman and members of this committee, for exactly that reason. Over 65 percent of the wartime reinforcement scheduled to go to Europe originates in or passes through the Caribbean area, primarily through the Straits of Florida.

The influx of oil from South America and from Southwest Asia to the United States comes through Caribbean sea lanes and into the Gulf of Mexico for refining.

The outflow of that refined oil through the Gulf of Mexico reflects over 90 percent of all the oil provided by the United States that will be used by U.S. and allied forces in Europe. Shipping carrying that oil can certainly be interdicted by hostile forces operating from air bases in the Caribbean or the Eastern Caribbean states.

Mr. Chairman, that sums up my concern. General Gorman certainly could contribute to that.

Chairman TOWER. General Gorman, would you like to add anything?

General GORMAN. Only that this is not a hypothetical problem. We have been watching anxiously in Southern Command the military construction under way in Nicaragua.

That construction which has surged since the Christmas-New Year's period with a redoubled effort on such key sites as the Soviet field hospital allocated just south of the Gulf of Fonseca, the airport at Puerto Cabezas in Northeastern Nicaragua which would be essential were the Nicaraguans or the Cubans interested in ferrying MiG aircraft from Cuba into Nicaragua, and most importantly of all, at an airfield located north of Managua across the lake at a place called Punta Huete where there is under construction a 12,900-foot runway which will be capable of handling the heaviest aircraft in the Soviet inventory and, perhaps more menacingly, a series of fighter revetments which are identical to those maintained at San Antonio de los Banos and Santa Clar airfield in Cuba to harbor Mig-23's and Mig-21's respectively.

We also observe the installation of a radar environment in Nicaragua which we have always regarded as a necessary first step for the deployment of such aircraft.

Were there to be introduced into Central America high performance aircraft, maritime reconnaissance or electronic warfare aircraft, the threat to which Admiral McDonald just made reference would be very substantially increased.

I would have the committee note, as I am sure you are aware, that during World War II the area that was the happy hunting ground for Nazi submarines was the Caribbean. There they got more sinkings per submarine deployed than in any other part of the Atlantic.

It is a vulnerable area and it is an area where, as we have tried to make clear, vital interests of the United States are uniquely engaged.

SITUATION IN LEBANON

Chairman Tower. General Stone, can you give us an update on the situation in Lebanon and an assessment of our ability to extricate our Marines to relative safety?

General Stone. Thank you, sir. I will be happy to.

As you know, the President has authorized the redeployment of our marines from the shore to afloat and that is taking place at this time. So that beginning on February 17 we have a period of not greater than 30 days to redeploy that force.

At this moment that has begun and is going very successfully.

You are also aware that part of the transition is the creation of a new joint task force, Joint Task Force Lebanon, which is under the command of Brigadier General Joy who is the Marine Brigadier who did command the MAU prior to this point.

The Colonel who had been Chief of Staff is now Commander of MAU.

We believe we have arranged for the proper security of that force. Of course, we are using doctrinal echeloning in terms of taking out heavy gear first and cambat forces last. We are optimistic that all will go as planned.

As the President indicated, of course the forces will remain afloat and ready for further deployment depending on future developments.

We have as of yesterday 1,300 marines still ashore and of course that process then will be decreasing as we move in the next 30 days.

MODERNIZATION/READINESS BALANCE

Chairman Tower. General Stone, we hear a great deal of complaint that we spend too much on modernization and not enough on readiness.

From the standpoint of your command, can you give us some idea about the essential nature of modernization as it relates to readiness?

General Stone. Yes, sir, we believe it is most important that there be an adequate balance, Senator Tower, between modernization and readiness.

If you go back in our own military history, we seem to have a kind of sine wave background of spending on one and neglecting the other.

At the moment that is not occurring and it appears to us that Congress in concert with the Defense Department is in the process of achieving a very healthy balance of the two.

It is always tempting for field commanders to push for readiness. If we do that at the expense of modernization, we will find ourselves, as we did following Vietnam, unprepared for the threat. Then we gnash our teeth because we don't have modernized weapons which in our system always takes considerable time to develop and field.

We believe, therefor, sir, that it is most important not to neglect modernization while we emphasize readiness.

So, my answer to you is that a balance is extremely important across the board. I would urge you to maintain that. I believe we do have it at the present time.

Chairman **Tower**. My time is up, gentlemen.

Senator Nunn.

Before you proceed, Senator Nunn, let me recognize a new member on the committee, Senator Dixon.

We are delighted with your appointment, Senator. Welcome to the committee.

Senator **Dixon**. Thank you, Mr. Chairman.

Senator **Nunn**. Thank you, Mr. Chairman.

I was going to welcome Senator Dixon, myself. I am delighted the chairman noted his presence. We are delighted to have him on this side of the aisle. I know he will make a contribution to the committee as he has to the Senate as a whole. I share your enthusiasm for his appointment to the committee.

VULNERABILITY OF REMAINING MARINES

General Stone, following up with the chairman's question about the Marines, do we reach the point that we reduce the numbers where the remaining ones are more vulnerable?

General **Stone**. We have considered that. As a matter of fact, it is uppermost in our minds to provide for that security.

The circumstances, of course, of the task force, naval task force, just offshore, frankly, makes us rather comfortable in that regard. Having the ability to support with naval gunfire, air if required in substantial numbers for what amounts to a rather small ground contingent makes us feel comfortable. Ample naval gunfire and close air support is available.

There is, of course, always the threat corresponding to that in the shifting winds of the various factional forces. I can assure you that all of our people are working on that very diligently along with the Ambassador and his team.

At the moment I am very optimistic that it is going to come off in good order.

Senator **Nunn**. How effective can that naval gunfire be for close-in type combat, let us say sniper type or terror type?

Will that naval gunfire have effect in close combat opposed to long-range artillery shells?

General **Stone**. The naval types will tell you that naval gunfire can hit a pin if observed at 13 miles. It is very effective when it is observed and can be most accurate.

Under conditions you describe I expect the firing would be close in small arms fire. Under those conditions we have the weapons of the marines ashore using small arms or tank guns to eliminate snipers.

Senator **Nunn**. Do you have any kind of damage assessments for the shelling by the *New Jersey* that has taken place over the last 8 or 10 days? Do you have any kind of assessment as to what kind of damage that caused and whether the fire really has been accurate?

General **Stone**. No, sir. I do not have a valid battle damage assessment to provide to you. There have been a number of press reports, various reports from Syrian radio, but the fact is that very bad weather and a lot of cloud cover precluded a really good battle damage assessment.

Senator NUNN. What were your targets mainly?

The newspaper reported there were some 300 tons of fire from the *New Jersey* over the last couple of weeks.

What were your principal targets?

General STONE. We hit a variety of targets including artillery battery positions, artillery fire direction centers, command posts, and air defense facilities.

Senator NUNN. Were these isolated from villages or were they near populated villages?

General STONE. We were very concerned throughout the period for collateral civilian damage. Therefore, we made a concentrated effort to avoid firing in the vicinity of civilians.

Senator NUNN. Admiral McDonald, let me ask you a question as a naval expert here rather than in your CINC capacity on the naval gunfire aspect and capabilities of the *New Jersey*.

ACCURACY OF 16-INCH GUNS

Are the 16-inch guns considered a highly accurate weapon or are they considered more of an area weapon?

Admiral McDONALD. Senator Nunn, I think, given that you can spot, observe as General Stone has said, and make adjustments to fire, it can be a very accurate fire.

If you are firing without immediate spotting at distances of 19 or 20 miles, the effectiveness of the weapon system is still accurate, but not as accurate as if you are updating information to the fire control system after each firing.

As an overall statement, I would say that the 16-inch gun is an accurate weapon system to use.

Senator NUNN. How does it compare to a 155-millimeter or 8-inch Howitzer in terms of accuracy for a ground weapon?

Admiral McDONALD. It is difficult for me to give you an assessment on that because you are talking different range capabilities of the weapon system. The 155-millimeter and the 8-inch weapon will not shoot to the ranges that the 16-inch gun will fire to.

You will lose some accuracy at extreme ranges, but at the 20-mile range the weapon is assessed to be accurate.

Senator NUNN. What ranges were you normally using in the Lebanon shelling, General Stone?

General STONE. On the order of 12 to 20 miles. Of course, it is varied. You are looking at about 23-mile maximum range, I believe, in the case of the 16 inch. Your 5-inch range is 13 miles.

COBRA ATTACK HELICOPTER

Following up on your question about close in fire support of troops—Cobra attack helicopters aboard CTF 61 are also available for this purpose.

Senator NUNN. Let me ask you a question on this point.

You don't have any damage assessment from those 16-inch firings; is that correct?

General STONE. That is right.

Senator NUNN. Do you expect to get any later or is this something that is not going to happen because of cloud cover, and so forth?

General STONE. We may get some later. Of course, with the increase in time from the firing to the time you can observe it, the accuracy decreases because various battlefield systems can be moved.

Senator NUNN. How do you go about spotting where you are going to fire if you have cloud cover?

What kind of assessment did you have in order to home in on the targets?

General STONE. This was for the most part target data which we have available from prior reconnaissance.

Senator NUNN. It was not based on spotting and returning actual fire then?

General STONE. In most cases it was not based on spotting. In virtually all cases it was returning hostile fire.

Senator NUNN. You would get where those emplacements were based on previous reconnaissance rather than real time reconnaissance?

General STONE. They were accurate in terms of prior reconnaissance. Moreover, in many instances real time accurate target fix was provided by the artillery ARTAB radar.

Senator NUNN. When you say prior, are you talking about several days prior or several weeks?

General STONE. Yes, sir, days prior in those instances where target data was obtained by photograph.

Senator NUNN. Is that the optimum way to have accuracy with those guns?

General STONE. If you want the optimum scheme, optimum accuracy would always be to use spotters and adjust while firing.

Chairman TOWER. Let me intervene for a moment, we are in open session. I will leave it to the gentlemen at the witness table to determine whether or not they want to answer in open session.

We will have an opportunity for a closed session to follow if we get into matters that you feel should not be answered in open session.

LESSON LEARNED IN GRENADA

Senator NUNN. Admiral McDonald, what kind of lessons have been learned from the operation in Grenada in terms particularly of intelligence, and I am speaking more of tactical intelligence than anything else?

Have you been able to assess the intelligence capabilities that we either had or didn't have or the relationship between intelligence on the one hand and actual military forces that went in on the other?

Have you detected any kind of points that need to be strengthened as a result of the Grenada intelligence in particular?

Admiral McDONALD. Yes, sir. Intelligence capabilities, Senator, as you asked earlier, at the meeting we had shortly following the Grenada operation, played a role. I think in some aspects what was perceived to be the lack of intelligence has been overemphasized.

There was intelligence available which gave us an overview of the Cuban involvement, runway construction, and the size of the People's

Revolutionary Army. These estimates turned out to be relatively accurate.

We were lacking somewhat in tactical intelligence. That was primarily due to a lack of human intelligence sources we generally have available which can update the overall national sensor type of intelligence that was available.

I don't think any tactical commander feels that he ever has enough tactical intelligence on the latest emplacement of a triple A site, or where the troops are specifically positioned at the time, and an estimate of their capabilities.

Those are areas in which we probably were lacking for the Rangers, 82d Airborne, and Marines who were actually ashore. That was overcome and there was nothing truly significant in the lack of that tactical intelligence because the overall intelligence we had gave us pretty good information.

It did not determine the willingness and the tenacity and the conviction of the people to resist when we went ashore. So, it would have helped if we had had more of that tactical intelligence.

Senator NUNN. I have been told that after we came in and took the airport and then proceeded to the first dormitory adjacent to the airport, which took place in only 2 or 3 hours I think, that our people in command on the ground did not even know about the second dormitory. The second dormitory, where a good many of the students were located, was 2 or 3 miles away from the first one. The way our people received word of it was that they got a telephone call after they seized the first dormitory and were told by the students on the telephone that they were not only in the second dormitory, but they were under the guns of the Cuban and Grenadan forces.

If that is accurate it seems to me that there was a very serious failure of tactical intelligence and that even though it did not, which we can all be thankful for, it could have ended up in harm to the students.

Is that accurate information?

Admiral McDONALD. Yes, sir, that is basically accurate.

We knew that the True Blue Campus, which was at the end of the runway, had a number of students. The other students we thought were living in town in civilian houses as sometimes would be the case even in our own college communities.

We were not aware that there were roughly 200 students in the Grand Anse Campus which was over on the western side of the island. That was uncovered and we did in fact find the students who were there.

After the True Blue Campus was secured, identification was made as to where Grand Anse Campus was located and we moved out in that direction.

A telephone call was instituted between the Rangers and the students inside the building and they were in fact organized for escape and evacuation through the ingenuity and the initiative of some of the people on the ground.

Senator NUNN. I think you have confirmed previous testimony that every one of those people in the second dormitory could have been killed in Grenada if the Cuban force had had a disposition to do so because there were many hours that went by before we were able to get on down there.

It seems to me we averted tragedy by a narrow margin. It also seems to me we have a lesson to learn about tactical intelligence.

I think we could have found out about that by a telephone call without getting human beings on the island before the invasion. I understand there was telephone traffic going back and forth.

Why didn't somebody in the intelligence community somewhere pick up the phone and pretend to be a parent and ask where they were located?

It seems to me that is not that difficult, particularly, when the President of the United States had identified that on public television as a very prominent trouble spot months before. There is something missing here on intelligence, it seems to me.

Admiral McDONALD. We thought we knew where all the students were. We thought they were in the True Blue Campus. When we got there, we found there were some others at other places.

Unfortunately there was a lack of knowledge of the location of all the students. We knew we were going to have to go canvass the local community to find out where they were living.

Senator NUNN. I am not blaming the military. I don't even know whose fault it is. It seems to me that this is a very serious gap in the relationship between intelligence, tactical intelligence, and military operations.

I would hope that you would continue to look at that. I know Senator Goldwater as head of the Intelligence Committee will be interested in that subject, too.

It seems we just narrowly averted what could have been a real disaster for lack of information.

Chairman TOWER. Senator Goldwater?

Senator GOLDWATER. Thank you, Mr. Chairman.

To clear that up, 2 years ago the Intelligence Committee was very thoroughly informed of what was going on in Grenada and in discussion with the DIA we in effect prophesied there would eventually have to be a move against Grenada. I think the intelligence was very accurate.

Human intelligence is not all that good, has not been that good since the Church committee tried to destroy our intelligence family.

CENTRAL AMERICAN HUMAN RIGHTS SITUATION

General Gorman, on Central America we are beginning to hear the argument that we will not grant further aid unless they correct the human rights situation there.

Do you agree with that?

General GORMAN. I think that we should use every means at our disposal to encourage the security forces of these countries to use sensible, humane methods for dealing with their security situation.

Senator GOLDWATER. I am not referring to humane treatment. I am talking about the human rights, civil rights, social rights, whatever you want to call it, that we emphasize so strongly in this country and never quite reach that goal and now we are trying to impose that requirement before we put any money in Central America.

General GORMAN. Senator, it doesn't make military sense to outrage the people of a country if you are trying to combat an insurgency.

It is dumb militarily to pursue a course of action that is going to pit the people against the government or pit the armed forces against the people.

I lecture my counterparts throughout that region that the death squads, the press gangs, the clumsy military commander who mistreats Indians in the field, those officers do graver damage to those countries than do the Communist insurgents up in the hills.

Senator GOLDWATER. I would agree with that. I am talking about the common language we use up here about fighting for human rights. I don't know that we have made such an imposition on other countries.

General GORMAN. I wouldn't presume to be competent to address that, Senator. I will tell you as a military man I happen to believe that it doesn't make sense to operate otherwise than with due regard for human rights.

Senator GOLDWATER. I happen to agree with you.

General Gorman, those of us along the Mexican border are rightly concerned about the whole Central American operation because much of Texas, New Mexico, Arizona, part of California, and Colorado came from the war with Mexico, which, frankly, we couldn't justify if we tried to stand up and argue about it.

Chairman TOWER. I disagree with that. [Laughter.]

Senator GOLDWATER. Not to get personal, but I think Texas is the biggest example. [Laughter.]

I have many friends in Mexico and many a time over a few tequilas they will smile and laugh and say, "Someday we are going to get it back."

CONCERNS OVER MEXICO

This concerns some of us along the border. We see Mexico in probably the worst position they have ever been relative to the possibility of change of government.

Heretofore Yucatan, which is right on the border, was the only state of the 28 Mexican States that ever showed any tendency to drift to the left.

Have you found out anything about that situation?

General GORMAN. You are aware that Mexico is not in my area of responsibility, sir, but I will comment on it.

I am an infantry man and I have learned long since that most of your problems develop on your flanks.

Mexico is the country that outside my area I am most gravely concerned with. It quintessentially involves those vital interests I spoke of to you at the outset. It has all of them there in spades.

It has had the most corrupt government and society in all of the region. It is a one-party state for all intents and purposes that has pursued a policy of accommodation with not only their own leftist elements, but with international leftist influences.

They have opened their doors to the guerrilla groups in El Salvador and Mexico City is now becoming the center for subversion throughout Central America.

I share with you a deep apprehension for Mexico's future. I would say that 10 years from now, unless there is some dramatic change in the interim, that will be the No. 1 security problem for the United States.

Senator GOLDWATER. Thank you.

AIR-TO-AIR/AIR-TO-GROUND MISSILES

General Stone, I don't know whether it was 3 years ago or maybe 4, as I recall it, in air-to-air missiles and even air-to-ground missiles we had about one sortie per aircraft in supply and that was it.

Is it better than that now?

General STONE. Sir, it is better than that now. As I pointed out in my opening remarks, air-to-air munitions are certainly one of our great concerns to the extent that I termed it a potential "war stopper." It requires our particular attention.

The exact figures, of course, I will supply to you in closed session.

Senator GOLDWATER. I don't know whether this question is proper or not, but I will ask it. You can choose not to answer.

In the event that the Soviets initiated an attack in Europe, your first important reaction would be destruction of their airfields.

Do you have enough air-to-ground missiles or air-to-air missiles to sustain that attack for more than 2 or 3 days?

General STONE. Yes, sir, for more than 2 or 3 days we have that capability.

Senator GOLDWATER. I will ask you later how many?

General STONE. Yes, sir, in closed session please.

MARINE EVACUATION OF LEBANON

Senator GOLDWATER. Now also, General Stone, we have been hearing a lot about the marine evacuation. You said there are 1,300 marines left.

Why does it take 3 weeks to take 1,300 marines off the shore a couple miles to a boat?

General STONE. Of course, you could move the marines off overnight if one chose to do that.

The President's directive was on February 17. We were given not greater than a 30-day period during which to accomplish the redeployment.

The marines having been ashore now for some 17 months or so, there is a fair amount of heavy equipment that is ashore. It was prudent militarily to move that gear back afloat first. We have constricted beach area and we need to retain security all during redeployment of that equipment.

So, it was our judgment that we should do it in a very deliberate, carefully planned manner and that in fact is what we are doing.

I suspect you will see those numbers come down a bit more rapidly in the days just ahead.

Senator GOLDWATER. It is hard to believe it takes us that long to move 1,300 men and your equipment. I can't believe it.

SECURITY OF NAVAL VESSELS

Are you concerned about the security of our naval vessels?

General STONE. Yes, sir, we have been concerned about the security of the task force afloat for some time. I assure you that it has occupied a lot of attention of the 6th Fleet and USCINCEUR as well as the staff at European Command.

The fleet has taken all precautions against those kinds of attacks. We have analyzed all the various kinds, swimmers, small boats, aircraft and even some rather bizarre schemes we also analyzed.

The fleet at all times maintains a minimum 10-mile distance from the shore and steams continuously at a speed of 10 knots. This in itself gives them a good deal of security. Then they are very alert to aircraft and other boats coming into their area of operation.

Some weeks ago we put out a notice to airmen, a NOTAM and also notice to mariners of the operations in our area, that it should be avoided because of hazardous conditions to flight and sea operations because of the density of our aircraft and ships in that vicinity.

We are on 24-hour alert as are all the battle stations that are deployed to defense.

I am confident that the fleet there has done all that is humanly possible to defend against attack. I cannot guarantee to you that it is impossible for some terrorist to make a successful attack, but I will assure you that it will not be without firing and effort on the part of the fleet to eliminate the attacker.

I talked in detail about a month ago to a Task Force 61 Commander. I felt much reassured after I saw what he has in mind.

Senator GOLDWATER. Admiral, would you like to add to that?

Admiral McDONALD. I think General Stone has covered it very well, Senator. The protection of the forces in the Mediterranean is in his area of responsibility and I am not in any way trying to say that I am not concerned, but the measures that have been instituted have been done through the Naval Commanders, the Commander of the 6th Fleet and Commander of Task Force 60 who are on the scene making suggestions to General Rogers and implementing those procedures they feel are valid for that particular area.

One area that he alluded to, but did not explain, that has been helpful, I think is a sort of an exclusion area. This area he spoke to, places at risk those unidentified forces who would transit through there either in the air or on water, therefore, giving our ships a greater opportunity to respond to air and surface contacts and placing the burden on those who will go through there to identify themselves or subject themselves to potential hostile action.

That is one of the things that we are going to have to continue to face up to, not only in the Mediterranean but in all areas of the world today where we are being challenged by terrorists.

One thing that bothers me, Senator, is that we keep publicly discussing at great length, even suggesting threats that could be directed toward our forces such as a beachcraft ladened with weapons or bombs. If terrorists have not already put that in their plan, we certainly have given them a lot of opportunities to explore these actions.

Senator GOLDWATER. Thank you, gentlemen.

Chairman TOWER. Senator Exon.

Senator EXON. Mr. Chairman, thank you very much.

Gentlemen, welcome.

READINESS/MODERNIZATION BALANCE

General Stone, I was interested in your statement that I interpreted as saying that you thought that there was a proper balance now between readiness and new weaponry including exotic weaponry.

Is that a fair assessment of what you said?

General STONE. The trends are positive and I believe balanced. We are certainly a long way from accomplishing the needed goal in both areas.

Senator EXON. If we had to make a change in the budget presented to us by the administration, which are we going to do?

Would you say that any reduction should come from new weapons, exotic new weapons, or do you think those cuts should come also or along with cuts in new weapons including the exotic ones, both in readiness and weaponry and procurement, or would you say that there is one sacrosanct part of the Defense budget and that is basic readiness?

General STONE. Sir, I would not say that, I would say that it is essential that we maintain a balance, that the budget presented to the Congress, I believe, does have that balance in it.

It would be an error for us to concentrate on one area. I would not term modernization as being only exotic weapons. In many cases, of course, it is basic hardware—tanks, air defense weapons, artillery, aircraft are absolutely essential.

Senator EXON. That is readiness?

General STONE. New ones, sir, are modernization.

Senator EXON. Let us not confuse the issue. You are confusing me. You know the difference between procurement of weapons for readiness and exotic new weapons. That is what I am trying to get at.

You tell me you think the budget presented to us is a proper balance?

General STONE. That is exactly right, Senator Exon. I believe it is a proper balance and that you must always procure new weapons at the same time you provide for readiness of the force.

Senator EXON. Therefore, you are saying that no cuts should be made in the Defense budget?

General STONE. You are right, sir.

Senator EXON. I am asking you if we do make cuts, which we are going to do, we find that the military in general and the Defense Department in particular turn a deaf ear to this time and time again.

What I am trying to do is to get some help from you people who are experts in this area as to what are the top priorities.

Can you give me any places where if we had to cut $1, where we would cut it?

General STONE. I would respond to you this way, that the Secretary of Defense prior to presentation of the budget did cut some $16 billion before it was presented. It is a balanced budget.

I cannot give you a recommendation as to where he would cut between those two alternatives.

Chairman TOWER. May I ask one clarifying question?

Readiness actually is made up both of O&M and modernization equipment, that is to say, modernization is a part of readiness? Is that correct?

General STONE. Yes, sir.

Chairman TOWER. In other words, O&M funds exclusively don't provide readiness. You have to have some modernization?

General STONE. That is correct.

Senator EXON. Thank you for clarifying that point. That is one I was trying to make.

I get a little worried, Mr. Chairman, of hearing the standard administration line from the top to the bottom of the Defense Department when we keep asking where we are going to cut.

Let me go into something else.

Let us follow up on what Senator Goldwater and others have been saying, General, about the withdrawal of the Marines.

We all know that we are dragging our feet in getting the Marines out of Lebanon. I heard on the radio this morning that the Marines are now awaiting an order to withdraw.

Is that true or not?

General STONE. No, sir, that is not true.

Senator EXON. The order has been given that they should withdraw?

General STONE. That is affirmative.

Senator EXON. When will you execute that order?

General STONE. That order was passed on the 17th from the President to the troops. The withdrawal, sir, is now in progress and, of course, as you know, the President's order is that they will be all withdrawn, that is, those that are going back afloat, redeployed, within 30 days from the 17th of February.

Senator EXON. What is the date in February?

General STONE. The 17th.

Senator EXON. The 17th of February?

General STONE. Yes, sir. That was the date of the Presidential order to redeploy back aboard ship.

Senator EXON. So, they will be out of there in the next couple of days?

General STONE. We will be out of there, sir, in not greater than 30 days from February 17.

Senator EXON. There is a chance it will take 30 days to get that job done?

General STONE. We have that option, given the President's order at the present time.

Senator EXON. I can cover that with you, sir, in closed session.

General STONE. Thank you.

Chairman TOWER. Let me say that we don't want to ask them to say anything publicly that might jeopardize the security of the forces.

Senator EXON. I agree with that.

You said, General Stone, that you thought there was a basic balance between readiness and modernization.

BALANCED ON READINESS

Can you tell me in open session if we are balanced on readiness?

How many days of supply of ammunition do we have on hand in Europe to support our 300,000 troops in event of an all-out ground assault by the Soviet Union?

General STONE. No, sir, I can't give you that in open session.

Senator EXON. Will you in closed session?

General STONE. Yes, sir.

CENTRAL AMERICA

Senator EXON. General Gorman, let me turn to Central America for a moment, if I might.

We hear a great deal today about our activities in Honduras and the difficulties in El Salvador and the Nicaraguan threat, which I suspect is there.

We hear very little about Costa Rica, although we are concerned about it.

Now, it is my understanding that essentially the Costa Ricans have no military, even a minimal defense.

General GORMAN. They have some 10,000 men under arms, Senator Exon, but in many cases you are talking about a peasant with a rusty pistol.

Senator EXON. Therefore, the easiest and most convenient place for Nicaragua to use the troop buildup that we keep hearing so much about, the easiest place would be next door in Costa Rica because theoretically at least they face little armed opposition.

General GORMAN. As members of the committee know, when I brief my area to them on a visit I start with Costa Rica making the point that it is the most threatened country in Central America and it is so precisely because of its inability to deal with problems either of internal subversion or external threat such as posed by Nicaragua.

There was a bombing explosion in San Jose last June. I was asked to send some explosive ordnance demolition experts up to help them ascertain how the bomb was put together and see what we could infer about its origin.

The pieces of that bomb, Senator, were in the hands of six different police organizations and we were never able to assemble all of those pieces in one room at one time to examine the bomb. They don't have a coherent security apparatus.

Senator EXON. Do we have plans to give or sell or loan military equipment to Costa Rica so that they might defend themselves?

General GORMAN. There are three impediments, sir.

The first is the fundamental law which forecloses us from dealing with police forces. Exceptions have been made in the past and should be made in addressing the administration's supplemental in order to permit us to do so.

The second impediment is the reluctance of the Costa Rican Government, itself, to get behind their security forces. They are struggling, frankly, within their Government with this issue.

They are very much attracted to our notion of the National Guard, and Senator Goldwater, we took a National Guard officer from New Mexico down to advise the Costa Ricans on how to set up a reasonably effective militia system.

But that, of course, takes money and a lot of political impetus and it is very difficult for President Monge to get that together, given the stringencies under which his government is operating at the present time.

The third problem is that the threat is mounting faster than the Costa Ricans are responding. The situation is bad this year, but it will be a lot worse unless something happens next year.

Senator EXON. What are our plans, military or otherwise, if there should be an attack launched by Nicaragua against Costa Rica tomorrow?

Would we become militarily involved?

General GORMAN. Costa Rica is a member of the Organization of American States and a signatory to the Inter-American Treaty of Reciprocal Assistance.

President Monge, in conjunction with his repeated statements of neutrality, has been equally clear he will call upon the other parties to those treaties to protect him in the event of such an attack.

Senator EXON. Is that another way of saying yes, we would become involved?

General GORMAN. We are obligated to do so.

Senator EXON. Thank you. My time is up, Mr. Chairman.

Chairman TOWER. Senator Quayle.

Senator QUAYLE. Thank you, Mr. Chairman.

PROFESSIONALIZING LATIN AMERICAN SECURITY FORCES

General Gorman, on page 5 you outline your high priority on professionalizing the Latin American security forces. We have heard this terminology before. We were going to professionalize the Vietnam Forces, we were going to professionalize the Lebanese Armed Forces.

Obviously, Vietnam did not work out. It appears that Lebanon is not going to work out either. Now I hear we are going to professionalize the Latin American security forces where the other two failed, one obviously failed and the other one appears to be failing.

What are the distinguishing factors that convince you to place that as a high priority and that we are going to succeed in professionalizing the security forces in Latin America, because we have gone through the wringer twice now, one a very major effort?

The other a more minor and different type of effort, more in the diplomatic arena?

I have heard this word, "professionalize" the Vietnamese Armed Forces, "professionalize" the Lebanon Forces.

Could you lay out for us how the forces in Central America are going to be different and how we are going to succeed whereas in the other two we did not?

General GORMAN. Senator Quayle, I don't want to get involved in a discussion of the long relationship with the Vietnamese armed forces or offer you my judgments on whether we succeeded or failed in that respect. I probably have very different views on that than you do.

I don't know anything at all about our efforts in Lebanon. I am not competent to address that.

I suggest you address those remarks to General Stone.

Concerning the Latin Americans, by professionalizing, I mean to get them out of politics and do the business for which one maintains armed forces in the first instance.

I mean exactly developing in them competence to operate in the field.

You will realize that the only army down there that can feed its armed forces in the field is the Nicaraguan Army and that is because the Soviet Union has given them 110 mobile field kitchens. Those are the only mobile field kitchens down there.

The rest of them go out and steal their food from the people. The rest of them operate on ration systems in which the commanders are provided bags of money and they go out and they buy the food, pocket-ing a good bit of it, in insufficient quantities for the soldiers who then go out and make up ration supplements out of the food available from the peasants in the area in which they are operating.

That is not professional performance, as I understand the word. We are trying to wean them away from that.

I believe that in some countries we have some substantial basis for hope that it is going to work. I would cite to you, for example, the armed forces of Honduras.

Honduras has a professional air force, for example, that was commanded up until 1957 by officers of the U.S. Air Force and all of the officers in the Honduras Air Force are products of our Air Force's school system.

They are a very professional air force indeed. The Honduran Army is a much more problematic force. The cutback in our security assistance, particularly our individual military education budget, of the years from the midseventies to the present has put us out of contact with a lot of the younger officers in that armed force.

A lot of the older officers have developed attitudes toward people, toward their job, toward their Government, that are inimical to the interests of the United States.

Fortunately you have at the head of the Government, President Suazo, a man of some considerable popular support, call it charisma, but he is liked and admired by the people and by the officer corps. They support him.

The senior leadership of the Honduras Army is committed, I believe, to democracy and to following the dictates of President Suazo. He, for example, has asserted a priority for his social welfare programs, his health programs, his education programs over the defense budget and has defended those programs against repeated urgings from the Minister of Defense that the situation in Nicaragua is such that substantial diversions are required.

President Suazo has denied those requests. Despite urgings of the Minister of Defense, the armed forces have not grown significantly. The budgets have remained relatively level over the past 3 years and the President has been sustained by his Congress in making those priorities stick.

The only recourse we have, the Ambassador and I have been telling the leadership of Honduras, is that if you are not going to grow in quantity to meet the growing threat to the south, you have to increase your quality. It is the qualitative edge you have to reach for. That army is reaching for a qualitative edge.

Last February in General Nutting's Ahuas Tara I exercise there was a battalion of paratroopers put on a drop zone. Members of the press who observed that recorded a kind of amateurish performance or at least a not very impressive one.

The same battalion jumped at the end of our Ahuas Tara II here just 2 weeks ago, and many of those reporters said that the difference was night and day, that they saw a totally different kind of outfit doing its job.

This is an army which has demonstrated that it can handle a subversive threat. The actions in July and August against the incursion of 100 Cuban trained Honduran guerrillas in the Province of Olancho in which that 100-man force was eliminated with the strong support of the people, but by an adroit action by that armed forces, intelligence, civic action, and mobility, small unit patrolling, was a professional performance that anybody's army could be proud of.

I could say many good things about the very small Honduran Navy; their professionalism has been upgraded over the past year virtually 100 percent.

That is what we are driving for, simply getting them to do the military job and do it well.

LEBANON/VIETNAM/LATIN AMERICA

Senator QUAYLE. I want to go back to the question on distinguishing factors between Lebanon and Vietnam and what we are doing in Latin America.

Certainly you have looked at those situations, there were lessons learned in both.

What distinguishing factors have we learned and are employing to professionalize the security forces in Latin America and what gives you confidence you will see success in our efforts whereas we have not seen it before?

These are very important to the public. This question is going to keep coming up. I am trying to get you to communicate why we have to do so many of the things down there you say we have to do.

You are going to have to compare, whether you want to or not, with Vietnam and Lebanon because the same type of theory is being applied, the same scenario, that we are just going down another path that is not going to work out.

We need an articulation of what makes you think this is a different situation and that this is going to succeed.

General GORMAN. Three factors: First is language. We have little difficulty communicating with the Hondurans or any of the other nationalists down there.

Had you had the opportunity to watch some of the activities in which our troops were intermixed with the Honduran population during Ahuas Tara II, you would immediately recognize that there were all kinds of communication going on at all levels fairly readily between our forces.

That is not just because of the large Hispanic populations within the U.S. Armed Forces. It is a function of fact that many Hondurans have learned English and regard that as a medium for upward mobility.

That was certainly not the case in Vietnam. I doubt that it is the case in Lebanon today.

The second is the fact that we have had over the years very substantial intermixing of Americans and Latin Americans at all levels of our population.

Sometimes the rapidity of that intermixing is staggering. I got from the Pacific Command a team of well diggers in Costa Rica just this past spring, 23 men there deployed for about 90 days. Of the 23, 5 of them married Costa Rican girls.

The U.S. Consul in Tegucigalpa tells me I am a major bureaucratic problem for the embassy because they have a large stack of marriage applications from soldiers whom we deployed in Ahuas Tara II.

Many Hondurans, Panamanians, Costa Rican, Nicaraguan, El Salvadoran families are intermarried with Americans. Their kids go to school here. They have relatives up here. They identify with us.

That was not true in Vietnam and I doubt it is true in Lebanon.

Third, we have been working with these armed forces in our school systems for a generation or more. There are 60,000 graduates of the schools that we maintain for them wherein the curriculum is conducted in Spanish, but is conducted to American standards or American doctrine. We are the professional commonality among those people.

If there is any coalition, if there is any prospect of our being able to put together a force to deal with a situation such as cited by Senator Exon, it rests on the interoperability and standardization that would be a product of that school system.

Again, we didn't have anything like that going for us in previous instances. There is in this whole business, as was suggested earlier by Senator Goldwater, an intimacy between us and these people that is categorically different from the relationship that existed between Americans and Vietnamese and again, although I have no personal basis for commenting, I suspect is the case in Lebanon.

Senator QUAYLE. These are the types of things that I think really need to be amplified on how it is going to work and why you think it is going to work where it did not work before.

Chairman TOWER. I have made seven trips to Vietnam. I have spent a great deal of time with a number of South Vietnamese units. Some were very professional and some were not.

After the United States cut drastically the aid to South Vietnam and prohibited the use of any American military in Vietnam, a highly professional army from North Vietnam was able to defeat South Vietnam.

I don't think the analogy is correct as far as Lebanon is concerned, too. You have a multiconfessional situation which you don't have in Latin America.

Most Latin Americans are Catholic. In Lebanon you have Maronites, Catholics, Shiites, Druze, Sunnis and they have to maintain loyalty to their own special groups. They also have their own militias.

Senator Levin?

Senator LEVIN. Thank you, Mr. Chairman.

The statement that by supporting governments that suppress their own people we are undermining our own security is as eloquent and succinct a statement on that point as we have heard.

Here are some indicators that show that we are even less ready now than we were in 1980 or we are not much better. Just a few examples:

Readiness deficiency on surface ships caused by supplies and equipment shortages and training has actually increased.

The Army has fewer combat maneuver battalions ready now than in fiscal year 1980.

There is a virtual laundry list of unfunded readiness Army needs.

The Air Force has to rob war reserves to keep its flying hours program going and thus there has been little, if any, increase in the number of days of wartime sustainability for our Air Force tactical aircraft.

First, Admiral, how can you say in light of these and other shortfalls that you have identified that our budget strikes the proper balance between readiness and sustainability and modernization?

Admiral **McDonald**. Senator Levin, there are obviously long-term payoffs in budget projections, readiness issues, that take a little time to get into being.

The budgets that we have seen recently have focused in some of those areas, sir, which still have not seen the full payoff on the ultimate impact that that procurement in readiness and sustainability will have.

As an example, the Atlantic Fleet readiness in terms of units categorized as C-1 and C-2, which is again a degree of readiness assigned in our unit readiness reporting system, has improved from December 31, 1982, until the present, reflecting that surface ships have gone from 49 percent to 60 percent, submarines have gone from 74 to 84 percent, and aircraft squadrons and detachments of squadrons have gone from 55 percent to 85 percent.

Personnel retention has influenced this as well as procurement. Of course, there has been funding for maintenance actions as well as modernization. There has been a proper balance.

Senator **Levin**. Let me give you the figures in the last 4 years in terms of increases for procurement R&D and O&M.

The procurement increase over the last 4 years has been 85 percent.

Research and development increase, 56 percent.

O&M, 26 percent.

Would you consider that a proper balance?

You have procurement three times the increase in O&M?

Admiral **McDonald**. From where I sit, Senator Levin, as an operational commander, I think all of us in that position want to be as fully ready and fully sustainable as we can be because we are tasked to take whatever the challenges are today.

We are going to fight in the next war with what we have on hand. However, there has to be a balance with modernization. If war does start tomorrow, you may find yourself ready and maybe a little more sustainable, but as you go further in years, then you may not have the force levels to meet the growing threat if too many resources have been allocated to readiness and sustainability.

That is what I think General Stone was talking about, and I was trying to express about sustainability.

As to the figure you gave me on O&M as opposed to procurement, O&M, of course, provides for us in the Navy those operational items such as fuel for ships and fuel for aircraft, which are readiness items.

Senator **Levin**. Are you familiar with what you call the corrective percentage increase in the last 4 years if in fact there is some procurement in the O&M account?

Admiral **McDonald**. I missed the first part of that.

Senator **Levin**. You can remove an item from one account to the other if you think it belongs in another account. The figure we have is that procurement accounts are up 85 percent; R&D, 56 percent and O&M, up 26 percent.

If you want to correct those, you can.

My question is: Do you think that strikes the proper balance if those are the accurate figures?

Admiral **McDonald**. If those are the accurate figures, then obviously some of the figures in procurement are possibly readiness items. O&M funding is not the only thing that contributes to readiness. Many procurement items do also.

Senator **Levin**. General, let me ask you a question.

Is it true that the Army has fewer combat maneuver battalions that are combat ready now than in fiscal year 1980?

General **Stone**. I can only speak for our European Command, Senator.

We have not at this point decreased since 1980, to my knowledge, in number of maneuver battalions.

One factor that influences Army readiness figures is the fact that they are undergoing a change in the type of division, going to a newly structured division in 1981.

Senator **Levin**. Before the changes are made, does the Army now have fewer combat maneuver battalions combat ready than we had in fiscal year 1980?

It is a precise question.

General **Stone**. It is, sir, and I will provide that for the record.

Senator **Levin**. You don't know the answer?

General **Stone**. I do not.

Senator **Levin**. General Gorman?

General **Gorman**. I do not know the answer.

PANAMA CANAL

Senator **Levin**. Let me ask General Gorman this question relating to the Panama Canal?

There was quite a bit of debate at the time of that treaty as to whether or not our security would be enhanced or reduced by transferring that canal over a period of time to a different administration.

Is it your opinion that our security has been enhanced, reduced, or is about the same as it was by the ratification of that treaty?

General **Gorman**. I think the ratification of a treaty was a significant contribution to the security situation not only in Panama, in the immediate environs of the canal, but in the region as a whole.

Within the past 2 years Panama has come forward as a leader in regional politics and security arrangements. Panamanian leaders have stated unequivocally that their security begins at the northern frontier of Costa Rica and have offered to be of direct assistance to the Costa Rican security forces in improving their professionalism, if I may use the term, Senator Quayle.

The Panamanians at this point in time have invited us back into all of the various military areas, from which we were excluded by the terms of the treaty, for combined training.

At the moment U.S. forces operate throughout the Republic of Panama with Panamanians and have indeed conducted with them combined operations throughout Latin America.

There is a degree of partnership that is striking and growing year by year.

Senator **Levin**. When you indicate that it added to the security of the area, would you be able to add thereby that it also added to American security?

General **Gorman**. No question about that.

Senator **Nunn**. Senator Levin, could you arrange to get that testimony from your question and his answer published in the State of Georgia?

Senator **Levin**. If it could help you, yes.

Would it change their opinion there if it were published?

General **Gorman**. As to the question asked about human intelligence, by and large, our human intelligence on terrorism in Panama is dependent upon the Panamanian forces. Thus far they have proved to be very reliable, entirely consistent with our own sources and indeed in many instances we have learned from them significant information that we would not otherwise have acquired.

Senator **Levin**. Talking about human intelligence. I want to pursue Senator Nunn's question relative to the students at that second campus on Grenada.

Is it fair to conclude that proceeding without that information created some added danger to the students on that second campus?

Admiral **McDonald**. I think probably we went there, Senator Levin, believing that the students were endangered and I think they were.

The fact that we were not sure exactly where they were at the time we went in may have placed them in added danger during the period of time from the landing until they were located and released.

I think that would be true in any case.

Senator **Goldwater** [presiding]. Senator Wilson.

Senator **Wilson**. Thank you, Mr. Chairman.

General Gorman, there have been press reports covering intelligence that since the Sandinista regime in Nicaragua, military strength so far surpasses anything else in Central America, that it suggests that a contest would be totally unequal.

What is your assessment, sir, of the kind of difficulty that would be encountered at the moment if indeed the Nicaraguans were to undertake to export their revolution beyond their borders by armed forces rather than by subversion or direct insurgency?

General **Gorman**. As you know, they certainly have been engaged in the latter, not only in their support of guerrillas in El Salvador, but their operations in Honduras this past summer where they were party to a major effort to introduce armed forces in a neighboring country.

I want to be emphatic on the point that I made in my opening statement that the Central Americans see the Nicaraguans as a conventional threat as well as a contributor to subversion in their area.

In this survey that was conducted by the U.S. Information Agency to which I made reference in my opening statement, at least a third of the respondents say that a military attack upon their country is likely in the next few years.

The places where you will find the greatest apprehension about that is in the two cities of Honduras that were surveyed among the five. These respondents are telling USIA what I have heard throughout the region from Costa Ricans, Panamanians, Hondurans, Salvadorans, and Guatemalans.

Senator **Wilson**. I fully understand their having the great apprehension.

I am interested in your professional military assessment of not how real the apprehension is—I understand it is real—but what you think the results would be if in fact that conventional threat materialized and there was armed aggression conducted against the neighbors of Nicaragua by the Sandinistas?

General GORMAN. They have clear capability today to seize territory in northern Costa Rica. They have the clear capability today to drive into the Choluteca area of Honduras which is good going for armor.

They have the capability in that area to deliver for the Salvadoran rebels what the North Vietnamese Army ultimately delivered for the guerrillas and other forces in South Vietnam in 1975, an armored mechanized force that could come in for the coup de grace.

We do not believe that the Nicaraguans would make such a move. I discount that. I have given you capability. I do not believe they intend to do it. I don't believe they would do it for the obvious reasons that they would have at this juncture little to gain for the risks incurred.

Moreover, the Hondurans in particular have taken measures that would make that course of action very costly for them at this point in time and those improvements have occurred in the last 6 months.

Senator WILSON. The real reason is that it would trigger our treaty obligations under the Rio Treaty?

General GORMAN. Absolutely. It would bring the region down around them.

Senator WILSON. You have stated in your testimony that you support the administration's legislation implementing the recommendations of the Kissinger Commission on Central America.

Do you feel that the recommendations of that Commission for military assistance are adequate?

General GORMAN. Yes, they are adequate. If judicially applied in a timely fashion, they could make a difference in the security situation.

Senator WILSON. That was my next question, if judicially applied in a timely fashion.

Would you spell out in your professional opinion what that means? What is timely.

General GORMAN. There are three countries of concern, sir.

Salvador has spent the last of its moneys authorized under the continuing resolution on February 10. They will begin running out of expendables in March.

In order for us to order, ship and otherwise proceed with the support of the force, decisions are going to have to be made in the next week or so in order for us to get the wherewithal in the country to protect the elections which are scheduled for March 26.

The administration I know is considering emergency measures in that respect. There were meetings yesterday on that and I expect those recommendations will be forwarded to the President today.

Salvador is a particularly urgent case.

The situation in Honduras is less urgent, but nonetheless compelling.

Again, the Hondurans have spent their money. They have taken all of the assistance we have provided to them under the continuing resolution and invested it.

The tempo of operations that they have been conducting during the period of our Ahuas Tara II has strained their resources and they simply need more assistance. Less time urgent, nonetheless, as I say, compelling.

Of course, there is Costa Rica. In Costa Rica you have situations in which such young men as they are able to deploy forward on the border in the security forces are deserting wholesale for lack of medical care, shelter, uniforms, and just basic human needs, and they badly need a lot more help than they got from the CRA.

I would say those are the kinds of situations, the three of them different in kind, but nonetheless persuasive.

HONDURAS

Senator **Wilson**. Discounting the political impact that we have, from the military point of view, what would be the impact on Honduras if the Sandinista-directed insurgency in El Salvador were to prevail militarily?

General **Gorman**. The Hondurans would be confronted with a vengeful and very powerful neighbor to their south, have based on their western border a government or an armed force certainly that harbors absolutely no good will for them.

They would face a two-front situation. They are not structured for that. They are not capable of dealing with it. They would need a substantial increase in assistance from us in order to be able to deal with it.

Senator **Wilson**. Would you compare the present level of armament, ammunication, automatic weapons provided the Salvadoran Army and what the insurgents are being provided by Nicaragua?

General **Gorman**. The insurgents have between 9,000 and 12,000 armed and trained individuals in the field. The Government forces, lumping together all available forces, including the so-called security forces which are some 10,000, number about 37,800.

So, roughly speaking, about 4 to 1 numerical superiority. Their equipment is roughly the same, referring to weapons.

A good bit of the weaponry in the hands of the Salvadoran rebels has been captured from Government garrisons and small units. A good bit of it, however, has been externally supplied and that continues to be the case.

The primary differential between the two forces is the superior mobility of the Government force and the superior fire power of the Government force, particularly with respect to the air force firepower that it has at its disposal, and with respect to the trucks and helicopters that it has at its disposal.

Unfortunately, this is not enough of an edge. What you have there is a stalemate. Neither the Government force nor the guerrillas have enough to deal decisively with the other.

The guerrillas can from time to time mount attacks in superior force and succeed as they did at the garrison of El Paraiso on the 30th of January and Cuscatlan Bridge a night later.

The Government still has the capability, however, to conduct successfully counteroperations. You don't read much about that in the paper, but in fact the Government has been doing a reasonably good job on many occasions recently.

But it does not have the mobility nor the fire power nor the strength to provide security for the country at large or to deal decisively with the guerrilla threat.

Senator **Wilson**. Thank you, General.

Mr. Chairman, since this committee does not have jurisdiction over foreign military assistance, that being the jurisdiction of the Senate

Committee on Foreign Relations, I would like to ask General Gorman and Admiral McDonald whether they have been invited to testify before that committee with respect to the adequacy of our military assistance to the region.

General Gorman. I have not.

Admiral McDonald. Nor have I.

Chairman Tower. Senator Bingaman.

Senator Bingaman. Thank you, Mr. Chairman.

MISSION OF MARINES IN LEBANON

First of all, General Stone, I have heard Senator Nunn and others ask repeatedly for several months what the military mission of the marines on the ground in Lebanon was.

Once those marines have left, what do you see as the military mission of our ships that remain offshore?

General Stone. Sir, the ships remaining offshore will, of course, stay available if there is a requirement to provide either naval gunfire or air, close air support.

Keeping in mind that there will be a small U.S. contingent still there, you have to secure the U.S. Embassy and the Ambassador's residence and there is a training team there as well, all of that would require security.

The primary instrument to provide that will be the task force that is afloat in the Mediterranean.

Senator Bingaman. Do you see any kind of mismatch between the size of the task force that we will have there and the need to provide security for the Embassy and the Ambassador's residence and the training troops?

It strikes me we have a lot of security offshore for a very small number of Americans on shore. It would be difficult to identify anyplace else in the world where that kind of security force exists for so few of our people.

General Stone. That is a very good point and it is one that we must carefully assess as we now go in a different situation than the one we have faced with the marines ashore.

Certainly the U.S. personnel population is greatly decreased and that in itself gives us somewhat less concern about the troops ashore.

Another reason for the force being there is to assist, should the requirement arise, in evacuating the remaining Americans of which there is a substantial number yet.

Admiral McDonald. May I add one thing to that, sir?

Senator Bingaman. Certainly.

Admiral McDonald. It is really not in my area of responsibility, as I explained earlier, but we have in the Mediterranean, under normal circumstances, two carrier battle groups and a Marine amphibious ready group which is basically what we have today.

There are some augmentations to that, but I believe that General Rogers and the commander of the 6th Fleet will continue to have requirements in the Mediterranean to require the use of those forces.

General Stone. The principal constraint in the theater by the commitment of forces off Lebanon is that a normal exercise and training program is not possible and, of course, there is a greater long-term commitment, with all that implies, the ships and the troops deployed for extended periods.

So, there is that kind of readiness concern associated with remaining in that area.

Essentially the forces that are there are those that would be somewhere in that part of the world on a normal basis. They are reinforced to some degree.

CENTRAL AMERICA

Senator **Bingaman**. General Gorman, let me ask a few things about Central America.

The exercise that is planned this summer I believe is called Granadero 1; is that correct?

General **Gorman**. Yes, sir.

Senator **Bingaman**. Could you tell me which of the countries in Central America have agreed to participate in that?

General **Gorman**. At the moment the Hondurans have invited the United States, El Salvador, and Guatemala to participate. They have stated that it is their intention to invite others, but those invitations, to my knowledge, have not been forthcoming.

Frankly, I don't know how the invitations were tendered. I can testify that the invitation to the United States was presented orally to the Ambassador in my presence.

I asked the presumed recipients from the other countries about that and they said they had not heard anything other than what they had read in the newspapers.

We are at that stage of the proceeding and that is not an unfamiliar Latin kind of procedure. They just take their time to get around to doing it. Usually they do it face to face.

Senator **Bingaman**. Guatemala, El Salvador, and Honduras are the only three countries that will participate? Panama will not?

General **Gorman**. Again, the usual business is to do that face to face and I know that the Hondurans have been invited down to Panama, I think next week, and I would expect if there is going to be any discussion about that, it will occur.

It may very well be also, Senator, that the Panamanians will not give any response until after their elections which are scheduled, as you know, for the 6th of May.

MILITARY EXERCISES AROUND HONDURAS

Senator **Bingaman**. Let me ask how long you expect to be conducting these types of military exercises in and around Honduras?

When Secretary Weinberger testified before the committee last fall, he indicated that this was routine and short lived. I have heard estimates as long as 5 years.

Do you have an estimate you could give us as to how long we will be conducting these exercises?

General **Gorman**. Sir, I believe this committee, and I believe you were here, on the 2d of August were briefed on the exercise. You may recall that I told you that the terminal date of our Ahuas Tara II had not been at that time established.

It could have been as late as March, but we would try to terminate it as soon after the first of the year as we felt the Hondurans would be ready to proceed with it.

The actual terminal date was the 8th of February. The exercise did not in any respect, important respect, differ from the information I then put at your disposal.

The answer to your question is that we are invited into these countries and one, therefore, has to wait for the invitation to be forthcoming.

President Suazo has said repeatedly that he would like to see Ahuas Tara III, IV, V, VI, as he puts it in the foreseeable future.

Frankly, our planning with them has not gone any further than the Granadero Uno, the exercise in June. I suspect we won't be able to get much more definitive about that until they finish the round of invitations to other participants.

With respect to the 5-year comment, there is a 5-year program which we submit to the Congress as part of the budget proceedings. Like most other 5-year projections, the first couple of years are pretty definite. The out years get very vague.

I can tell you definitively that aside from some very small exercises next year, we have not made any planning. Much will depend on the unfolding situation and the willingness of the people or the nations in the region to invite us in as to whether it will be possible to carry forward with any kind of coherent program.

Senator BINGAMAN. General Gorman, you were describing the situation in El Salvador under present levels of support and funding, as I understand it, as sort of a stalemate between the Government and the rebels?

General GORMAN. Yes, sir.

Senator BINGAMAN. That is the basis upon which we are receiving requests for very substantial increases in military assistance this next year.

How long do you expect the war in El Salvador to continue, assuming the Congress gives you the increased level of funding and support that you have asked for?

General GORMAN. I have stated to the Secretary of Defense in response to his query that if levels of assistance comparable to that in the administration's supplemental proposals were to be delivered to the Salvadorans, they would have control of 80 percent of the country and the people within 2 years.

The remaining 20 percent is relatively unimportant marginal areas on the border in the northern parts of the country.

The country would be in a position then to move ahead politically and economically.

In other words, I assert that with that level of assistance, within 2 years they would have in place the security shield called for by the National Bipartisan Commission on Central America, and I believe would be a long way toward resolving some of their most important political and economic problems.

Senator BINGAMAN. General, there have been several people in the Congress who have been questioning the use of operations and maintenance funds in Honduras in connection with these exercises for other activities such as construction and training.

I was wondering if you could tell us whether you have received any kind of concerns, written concerns, from the Judge Advocate's group within the Defense Department about the use of these funds and the propriety of using these funds for the purpose for which they have been used?

General **Gorman**. I am aware of what I believe are termed the observations of the General Accounting Office, although I have not been advantaged by any written report or even, indeed, an opportunity to examine the document to which you refer.

They tell me that they are in possession of certain memoranda written by officers in the Pentagon regarding the problem of O&M funds.

I would want you to know, Senator, each and every one of the exercise activities that I ordered in Central America were scrutinized in great detail by my lawyers and by lawyers in the Office of the Chairman of the Joint Chiefs of Staff and lawyers in the Office of the General Counsel of the Department of Defense. Those are the gentlemen to whom I respond.

We did not misuse "operation and maintenance" funds for any purposes in the course of the exercise, to my knowledge and belief. I operated, I can assure you, with the best legal advice available to me.

This is not to say that I am certain that there are not arguments among nonlawyers. I believe that might be the case. It is in most other areas I am aware of concerning the law.

Senator **Bingaman**. My time is up.

Thank you, Mr. Chairman.

Chairman **Tower**. Members of the committee, I am going to go into closed session now. So, all who are not cleared for classified information will depart the room.

[Whereupon, at 12:30 p.m., the committee proceeded to executive session.]

EXECUTIVE SESSION

Chairman **Tower**. Gentlemen, I am going to limit questions to 5 minutes.

AIR RAID IN LEBANON

General Stone, with respect to the December 4 air raid in Lebanon, it is my understanding that the local commander for a variety of tactical reasons requested a 2-hour delay.

Also it is my understanding this request was denied by higher authority.

I would like to know at what level the decision was made and the justification for denial of the local commander's request.

General **Stone**. I have no knowledge of any request to have that delayed. As far as I know, there was no such request at my level.

We checked messages and documentation on that and found nothing. I simply was not aware of any such request.

Chairman **Tower**. Does it mean it was denied at a lower level than yours?

General **Stone**. I assume that may be the case, yes, sir. I can only tell you that I was not aware of it at my level.

Chairman **Tower.** The request was certainly made. I talked to a member of the fleet out there and they said that request had been made, but was denied.

General **Stone.** Sir, I was unaware of any such request.

Chairman **Tower.** I would like to find out at what point in the chain of command that denial was made and by whom. But you cannot answer that question.

General **Stone.** Sir, I cannot.

Chairman **Tower.** Senator Nunn.

BALANCING READINESS/MODERNIZATION

Senator **Nunn.** General Stone, you mentioned a while ago in reponse to Senator Levin that you thought we had achieved the proper balance between readiness and modernization in the budget.

If I could show you, read to you, or ask staff to show you this. This is the U.S. SACEUR, I suppose, message or telegram to the Secretary of Defense, dated May 1983.

> I believe it is clear that Army POM overemphasizes modernization at the expense of providing sustainability of forces in place. In my view, this is not in accord with the highest priority of U.S. forces in Europe.

Could you take a look at that and see if that is consistent with your own views?

Also, Admiral McDonald, here is a similar cable which is not quite as strong. It says:

"Emphasis on narrowing the gap between the present levels of stock and the inventory objectives should continue to receive the highest priority," dated May 1983, CINCLANT.

Is that still your view?

Admiral **McDonald.** Yes, sir. I think that message you have is similar to the one you have for USCINCEUR. They are our inputs as Commanders in Chief to the Chairman of the Joint Chiefs of Staff as to what our major concerns are so they can be reflected in the succeeding budgets.

Senator **Nunn.** Do you think the budget as we now have it reflects that concern?

Admiral **McDonald.** I think it is a big step in that direction. As I said, it does reflect a balance between readiness and sustainability and modernization.

Senator **Nunn.** If you had your choice, would you opt more toward sustainability or is it exactly right the way you want to have it now?

Admiral **McDonald.** Senator, we are faced with the problem of trying to ascertain how best to carry out our mission. I think that the budget reflects as good a balance as we can get.

Senator **Nunn.** General Stone.

General **Stone.** This was back in May 1983. At that time we were taking issue with the Army POM as regards modernization. This was the CINC's view at that point in time.

At the moment he is satisfied with the budget as regards the balance between the two.

Senator **Nunn.** Could you check that out and see what has happened since then?

General STONE. I will.

[The information follows:]

The paper you present was prepared to provide General Rogers' concern during the budget development process. We believe the budget and associated Five Year Defense Plan (FYDP) before you presents a balanced well rounded approach.

Senator NUNN. General Stone, another couple of questions here.

MUNITIONS

You described our munitions as more or less a war stopper; is that right?

General STONE. Yes, sir, certain selected ones.

Senator NUNN. What about our allies?

General Rogers has said several times, and I don't know whether this is classified, but we are in a classified session now so it doesn't matter—our allies are going to run out of ammo in less than [deleted] days. I understand it is about [deleted] days.

My question is: What sense does it make for us to build up stocks far exceeding that when our allies on our flanks are going to run out earlier?

COMBAT SUPPORT RATIO

My second question is along that line: Why are we concerned about our combat support ratio when our flanks are going to be overrun long before we have any problem with lack of support?

General STONE. We think, sir, that we ought not to set our standards by what is inadequate in the case currently of the NATO capability.

Certainly NATO needs greater sustainability, but we believe that the U.S. forces must not set our own standard of criteria against that, but that U.S. commanders must have what is adequate in their best judgment to maintain their own forces.

Senator NUNN. Do you think our forces can fight after our allies are out of ammo and all their flanks are overrun?

General STONE. We hope that will not occur.

Senator NUNN. It will occur if we go to war now unless [deleted].

When we are looking for priority, why in the world should we in the Congress fund this kind of priority when it is obvious it is not going to do us any good unless our allies are brought along?

I agree the whole alliance has a problem. I think we have reached a stage where we are going to have to say to our allies, "We are not going to keep playing this game and when you run out of ammo, the war is over."

General STONE. I guess if I were the Soviet Commander taking a look at what we are doing on the U.S. side, I would assess that the West had a distinct decrease in deterrence if we decrease the levels of sustainability in the U.S. forces.

I think that would send a signal that we ought not send, namely, that we are not serious about the defense of Europe. Therefore, we should increase our sustainability to an appropriate level.

Senator Nunn. Even though the Soviets, if they have any good intelligence, will realize that the flanks are all going to be gone after [deleted].

General STONE. If they have good intelligence people, they watch for trends, sir, and I think that is key. You can't plan on a short war. You need to be prepared with proper sustainability.

Senator NUNN. We can plan for a short war now according to General Rogers. He says it will be so short he will have to use nuclear weapons earlier in the first few days.

General STONE. That is precisely what he doesn't want to do.

Senator NUNN. Until we convince our allies about that, it seems to me what we are really doing is almost creating a disincentive for them to do their part by continuing to say we are going to move on independent of anything else.

We are acting as if flanks don't make any difference. It seems to me we are ignoring everything about fighting in an alliance.

General STONE. General Rogers is strongly urging the allies to increase their expenditures on these very items.

Senator NUNN. How do you go about doing it?

I am not sure. By continuing to have this great disproportion between our sustainability and theirs and continuing to put this kind of money in the budget, these are the ways to get them to do their part.

We may have a point where we may have to let them explain to their people why the gaps are there.

Admiral McDONALD. As one of the major NATO Commanders along with General Rogers, we are articulating the exact concerns that you are expressing here today every chance we have with the leadership over there and we are exporting them, as General Rogers says, to come up with their fair share.

He is pressing for a 4-percent real growth increase in the Defense Budget in all the nations. A large number are not meeting it across the board. Your help in this area is deeply appreciated, particularly your appearance in Brussels a month ago which still has reverberations in NATO.

We share your concern, but we are trying to send the right signal by saying the United States is going to make it, and now you have to come on board for exactly the reasons you are stating here today.

Senator NUNN. We all agree on the goals. I don't know whether I will be able to go along with the tactics of trying to reach that goal.

At some point you have to decide that the Europeans, if they want those gaps to exist, ought to have the burden of explaining it to their own people.

General STONE. If we had 6 months of supply, then we might argue that is excessive to what the allies have.

Senator NUNN. Where are we now?

General STONE. We are [deleted] days, approaching [deleted].

Senator NUNN. What about them, is it [deleted]. Is that about right?

General STONE. The allies' level is higher than [deleted] I did not bring that exact figure with me. We will provide that for the record. It is more than that.

[The information follows:]

SHAPE STOCKPILE

Ammunition sustainability of our allies has been an area of concentration for some time, and the agreed SHAPE stockpile objective for national stocks is [deleted] days. Action requiring NATO nations to build up existing stocks and meet

this stockage objective are being pursued by the NATO civil and military staffs and by the senior NATO logisticians.

Based on SHAPE logistic evaluations of DPQ-83 responses, allies' stocks of munitions in approximately [deleted] nations, are generally at the [deleted] day level. Individual shortages do exist and in many cases they parallel U.S. shortage items (i.e., air-to-air missiles and ATGMs). In addition, some of the nations have plans to procure U.S. munitions items which are also shortage items within U.S. stocks (i.e., AGM-65 "Maverick" missiles and MK 20 "Rockeye" munitions).

It is agreed NATO policy, published in Allied Command Europe Directive 80-50, that, although reported by nations to the NATO commander concerned, specific quantities of Allied munitions cannot be divulged without the approval of the nation concerned. NATO direction was promulgated in order to protect the political sensitivities of individual allies.

Senator NUNN. Mr. Chairman, I know my time has expired.

Chairman TOWER. Senator Exon.

Senator EXON. Thank you, Mr. Chairman.

General Stone, I ask the same question which has been covered by Senator Nunn.

As I understand it, you are saying that ammunition for our artillery weaponry and for infantry fighting is at [deleted] going to [deleted] as far as our forces are concerned and you will supply us with the comparable figure on the average for the allies; is that correct?

ABILITY TO MOVE AMMUNITION AND SUPPLIES

General STONE. That is right. The other part of the equation is the ability to move the ammunition and supplies which is of equal importance to having it in stock.

Of course, military history is full of examples where we had ample stocks of ammunition in the wrong place and unable to move it to the right battle in a timely manner.

Senator EXON. I assume you have covered that.

Are you telling me that is another problem?

General STONE. It certainly is a problem, but the reason I bring it up is that it is important not to presume that because a certain number of days' supply is available that we will be able to fight that many days, but the other part of it is to be able to get it to the right place at the right time. Intra-theater lift—aircraft and trucks—are needed to perform that task.

Senator EXON. Which to me indicates that even a [deleted] day supply might not give you the mobility that you need if an attack were to come at places you have not anticipated.

General STONE. That is quite correct. I would be very uncomfortable if we were on a course having anything less than [deleted] days' supply as the goal for American forces in the European theater.

EVACUATION OF LEBANON

Senator EXON. General Stone, getting back to Lebanon once again—I asked this in open session—when are we going to get those marines out of those holes by the airport? In the next few days?

General STONE. They are on the way, Senator. I gave you an unclassified figure as of yesterday of 1,300. By tonight that figure will be 1,187. My best estimate that we will be down to around 500 remaining along about the 26th of February.

Some of this has yet to be firmed up, but that is the general course of redeployment.

Senator EXON. Those 500 will not be remaining in those holes next to the airport, will they?

General STONE. No; we will have a force securing the Embassy and will have the OMC, Office of Military Cooperation, the trainers, a Joint Public Affairs Bureau, and an intelligence coordination facility. That is the entire complement.

Senator EXON. What can you as a member of the chain of command tell us about the plans the President alluded to last night that under certain conditions he might send the marines back in?

Would that be only if a contingent of marines, say, 150, around the Ambassador's residence, were sustaining an attack or does it go beyond that?

General STONE. That is an excellent example and that is where one of our primary exposed potential targets will be, at the Embassy. That one has our undivided attention and concern.

If there was in fact an all-out attack on U.S. forces that might provide the occasion to bring the marines back ashore. It is simply at this point not known to us what the exact requirements might be.

I can envision that if the Lebanese Government situation becomes more stabilized, there might be a requirement to go back in, in something of a peacekeeping role, but all that at this point is supposition.

Our real posture is one of being ready and having our intelligence system as good as we can possibly make it.

BEIRUT—A WAR ZONE

Senator EXON. General, from your knowledge of military history, you would certainly describe Beirut today as a war zone, would you not?

General STONE. It certainly is for the local factions and the Lebanese people who are living there.

Senator EXON. Has there been any consideration of pulling out of Beirut all of our diplomatic corps, including the Ambassador, and locating them elsewhere in Lebanon or on ships temporarily until the situation becomes more secure there?

General STONE. At all times we are prepared to evacuate all of the U.S. contingent if that is required. We do have plans to accomplish that kind of thing should the exigencies require.

We, of course, hope that does not occur, but we are prepared to execute those kinds of plans if required.

Chairman TOWER. That is to say you have a contingency plan to do that if you are tasked to do it?

General STONE. Precisely.

Chairman TOWER. It is a political decision whether or not to withdraw our embassy.

Senator EXON. There has been a great hoop-la about the number of Americans we have removed, including some embassy personnel and some of their families.

I asked the Secretary of State yesterday in the Budget Committee and he was going to provide for the record how many Americans, both diplomatic corps and American nationals, whether they are of Lebanese origin or not, have been removed. I can only get from the figures that I have seen published in the public press that we probably have not taken out more than 10 percent of all of the Americans that we have knowledge of who are in Beirut today.

General **Stone**. I would have to supply that for the record. It seems to me we have on the order of a maximum figure of around 2,000 of those who are Americans, American affiliated somewhere in country.

Senator **Exon**. I saw 3,100 listed yesterday. But we don't know for sure. I suppose there is a percentage of those, 25 percent or 50 percent, that say they are going to stay here.

General **Stone**. Yes, sir. I was in Iran during the revolution and exactly the same situation pertained; a large number of Americans elected to remain at that time.

Senator **Exon**. How many people do we have in the diplomatic corps there, the Ambassador and people who work under him? Is it 200 or 500?

General **Stone**. It is not 500. It must be closer to 200. I will get you that figure.

Senator **Exon**. What percentage of the diplomatic corps have you removed? Do you know that?

General **Stone**. I think a very small percentage. You have a large percentage of families. We will have to get those figures for you, sir.

[The information follows:]

EMBASSY AND MILITARY PERSONNEL IN LEBANON

Information on embassy and military personnel is reported daily via the appropriate channels. Exact numbers change daily due to the high percentage of personnel who are on temporary duty in Lebanon (about 80%). State Department personnel have overall responsibility for coordinating and implementing plans for the protection and evacuation of U.S. citizens abroad. USEUCOM maintains close liaison with the Embassy Beirut staff to evaluate how U.S. military assets can be used if an evacuation is necessary. Such an operation was conducted smoothly and efficiently on February 10 and 11 when [deleted] Beirut Embassy employees, defense contractors and dependents were evacuated leaving [deleted] Embassy employees as of 27 Feb. U.S. military strength ashore as of 27 Feb was [deleted] are assigned to JTF Headquarters, [deleted] provide embassy security; [deleted] are assigned to DAO-OMC; [deleted] perform liaison duties; and [deleted] provide operational support (ANGLICO, SIGINT, RTOs).

Senator **Exon**. One last question for you and maybe you can shed some light on this.

HELICOPTER LOSS IN GRENADA

It would appear from the reports that we have had that we suffered rather heavy losses in Grenada of helicopters. The budget presented to us calls for about $4 billion for Army aviation, which I assume is mostly helicopters. This is a significant amount.

I would like to know what can be done to improve the helicopter survivability in the European potential battlefield areas? What was the reason for what appears to be a rather heavy loss of helicopters in Grenada and was that through accident, not sophisticated enough equipment, training, or was it just the normal battlefield conditions?

Do you think we had an unnecessarily high ratio of loss of helicopters in Grenada, given the rather limited combat that was involved?

General STONE. I think I will defer to the admiral on that.

Admiral McDONALD. Senator, we lost [deleted] helicopters.

Senator EXON. That is what I have.

Admiral McDONALD. [Deleted] flying near downtown St. George's, low altitude, with exposure to small arms and small light weapons in a concentration they didn't anticipate.

We lost [deleted]. The [deleted] was lost when it tried to land at Grand Anse Island beach to remove the students from that campus, and in such a small landing area that a rotor struck a tree and rendered the aircraft inoperable and it was a loss.

Of the [deleted] Blackhawks, [deleted] were lost when [deleted] had the tail rotor shot at the landing at Calivigny barracks where they were bringing Rangers in, and lost lateral control.

If the tail rotor goes out, the airplane starts to spin. [Deleted] and in doing so hit another helicopter on the ground. The other [deleted] were lost to individual small arms and light antiaircraft fire, also in the vicinity of St. George's.

There were other examples, however, of Blackhawks that sustained significant small arms damage and survived.

So, although I am not endorsing Sikorsky, the survivability of the Blackhawk as compared to previous helicopters has been significantly improved.

[Deleted.]

Senator EXON. I take it from your statement, Admiral, that essentially the loss of helicopters was because of the fragile nature of that kind of equipment going in under certain conditions and it wasn't necessarily nonperformance of aircraft or difficulties with the aircraft that contributed essentially to the losses?

Admiral McDONALD. Let me amplify that. General Gorman can probably also address that because he has helicopters in his command.

Helicopters are a fragile aircraft by comparison. The Blackhawk, though, in the area of fragility, is probably more stable, more sustainable and probably less vulnerable than the helicopters we have operated in the past.

General GORMAN. I have just concluded the first extensive overseas evaluation of the Blackhawk helicopter operating in a relatively primitive theater without navigation aids, and so forth. We had one accident in 8,000 hours, again a matter of a tail rotor striking against a tree.

But that Blackhawk is a major, major upgrade in helicopter capability over the HU-1H that it replaces. You have only to fly the two aircraft to sense the power of that thing when it lifts straight out of a landing zone.

In a place like El Salvador where your landing zones might be surrounded by people with small arms and machine guns, the ability to go straight up like the Blackhawk can is a major advantage.

What I am saying is, going back to your original question about how modernization and readiness fit together, given a choice, I would rather have a bunch of Blackhawks than Hueys.

Senator EXON. One last question, Mr. Chairman.

MINE WARFARE

It is no secret that the Soviets have the world's largest stock of mines and their warships, submarines, merchant ships and fishing craft can lay those mines.

A recent article in Jane's indicated that the United States is woefully lacking in mine countercapability.

What is your evaluation? Is that an accurate statement?

If so, what are we doing to improve that situation?

Admiral McDONALD. We have not always concentrated on mine warfare in the past because of the press of other warfare areas that have been challenging us. We are now concentrating on improving our mine warfare capabilities.

We have significant improvement planned in the way of procuring additional helicopters for this purpose. Although the minesweepers that we have today are small in number, they have been augmented by airborne mine countermeasure helicopters which do sweeping for us and allow us to position mine countermeasure craft where required very rapidly. The positioning of minesweepers from the East Coast of the U.S. to the Strait of Hormuz, for example, takes a long time, just to sail the ships there.

Again, we would depend on our allies and we would also position airborne mine countermeasure aircraft to do that. We are paying a great deal of attention to mine warfare at the present time.

The Mine Warfare Commander, Rear Adm. Charles Horne, is probably the leading free world expert on the Soviet mine warfare threat and how we should counter it.

There are building programs for mine countermeasure ships as well as captor mines. We are lacking in numbers as compared to the Soviets [deleted].

The United States has an inventory of [deleted] mines. We are doing dramatic things in trying to improve our capability [deleted].

Senator EXON. Thank you, Mr. Chairman.

I am for the survivability of our men out there. If you have to pay more to get a better tank or get a better helicopter, I think you have to pay for it. This idea that we can just pour O&M funds into buying gasoline and ammunition and not give any concern about modernization concerns me.

I want to have more survivable and more combat-effective equipment. That is a part of readiness. It is an important part of readiness, I would say, Mr. Chairman.

Chairman TOWER. I have only one question I would like each of you to respond to.

Do you feel that you as operational commanders, even though accountable for successes or failures in any conflict, have sufficient influence on resource allocations decisions?

Admiral McDONALD. Absolutely. I have direct access to the Secretary of Defense, to the Chairman and to the Chiefs of Staff of the Services sitting with the Chairman in the JCS. I have that access.

Whether I can be persuasive based on the priorities that we all have to face is a matter of my being able to articulate to them, but I do have that access.

General **Gorman**. No, sir. The reason is because the U.S. Southern Command is structured unlike the other commands that you will be talking to here.

I am a unified commander, but I do not, like General Rogers, have service component commanders with direct access to their service chiefs.

My component commanders have access to other lesser commanders so that when a project is put into the budget at my instance, and I want to assure you, incidentally, that all of my projects are very, very modest—I think I have a total of $92 million of new initiatives in the fiscal year 1985 budget for the whole command—compared to what Admiral McDonald and General Stone talked about is peanuts—to get an advocate that can push my project through the pulls and tugs of the budget is difficult for me.

I do not have direct access to the Chiefs except through the mechanism of the Joint Chiefs of Staff.

I find frequently the projects I cherish have been traded off in the pull and tug of services with budget scrubbing and have to be restored by heroic action at the top.

Chairman **Tower**. General Stone.

General **Stone**. The bulk of input or influence on resources, in my judgment, remains with the services and not with the Unified Command. We see very encouraging trends in this administration, with this Secretary of Defense and this Chairman, in a way, so far as I know, unprecedented in the past.

The unified commanders are permitted, indeed encouraged, to meet with the Defense Resources Board and to give their priorities, to have an opportunity to actually influence in a measured way what their priorities are, namely, from the warfighting commands, the unified CINCs.

Now, that is a happy state of affairs for the moment and a step in the right direction, but that should be codified and made permanent because the Secretary of Defense and the Chairman will change and all of that may go back to business as usual where the services are in charge of resources and priorities are established within defense.

So, I would encourage Congress to move in the direction of codifying the influence of the unified commanders.

We as USEUCOM do have supporting commanders; we are able to use the new capability with DRB to help influence what happens in the service POM's as well and focus on balance.

It is moving in the right direction. It needs to continue, in my judgment.

Chairman **Tower**. Thank you, gentlemen.

We appreciate your very candid testimony. It has been very helpful.

We will hold the record open until close of business, 5 p.m. for additional questions to be submitted.

[Questions submitted for the hearing record follow:]

Questions Submitted by Chairman John Tower

COMMAND AND CONTROL

Chairman **Tower**. Admiral McDonald, the Grenada incursion was the first military action in recent memory where the established chain of command was used. Can you comment briefly on the Command and Control arrangements that were used in the Grenada operations?

Admiral McDonald. As USCINCLANT, I am responsible for military operations in the Caribbean. For URGENT FURY, I exercised that command from my headquarters in Norfolk. Working for me were my component commands, Air Force, Atlantic (AFLANT) Langley AFB, Va., Army Forces, Atlantic (ARLANT) Fort McPherson, Ga. and of course the Atlantic Fleet, which I also command. It is the component commanders' responsibility to provide forces to my operational commanders for actual conduct of military operations. [Deleted.] Other major commanders were the commanders of the Strategic Air Command (SAC), the US Readiness Command (USREDCOM), and the Joint Communications Support Element (JSCE). Later in the operation, the Military Sealift Command (MSC) retrograded captured arms, munitions and military supplies to the United States.

LESSONS LEARNED FROM GRENADA

Chairman Tower. Admiral McDonald, in your view, what are the significant lessons learned from Grenada?

Admiral McDonald. As you are aware Operation Urgent Fury was successfully planned and executed in a relatively short period of time. However, regardless of the outcome, there are lessons to be learned and improvements to be made. I have provided a detailed report on lessons learned to the Chairman of the Joint Chiefs of Staff. I will summarize here, by broad category, some of the more significant aspects of the operation:

a. Command and Control

The Combined Task Force Commander's Fly-Away Staff concept worked well and this concept is supported. [Deleted.] Also, the early exchange of interservice liaison officers during the planning phase proved to be critical and played an important role in the success of the operation.

b. Operations

The advantages of Navy/Marine amphibious forces, with their self-contained combat power and flexibility, were clearly demonstrated. Nevertheless, considerable confusion initially was encountered by the assault forces because of the inadequate maps and charts available and by the variety of map grid systems used.

c. Planning

Planning for this operation followed the Crisis Action Procedures specified in standard Joint Operations Procedures published by the Office of the Joint Chiefs of Staff. This planning worked well, but due to a highly compressed planning schedule and close-hold nature of the operation, some commands and agencies were [deleted] not involved in some of the initial planning efforts.

d. Logistics

The critical value of both the medical and airfield facilities at Roosevelt Roads was clearly demonstrated. These facilities will remain key to future strategic requirements in the region.

[Deleted.]

f. Public Affairs

Handling of the media prior to and during the early stages of the operation has been well documented. The need to maintain secrecy and surprise to minimize danger to U.S. citizens and assault troops were the overriding factors in restricting the press during the initial phases of the operation. [Deleted.]

SOVIET UNION/CUBAN ACTIVITY IN CARIBBEAN AREA

Chairman Tower. Admiral McDonald, do you see any evidence that the Soviet Union or Cuba is trying to reestablish a presence in Grenada or elsewhere in the region?

Admiral McDonald. While I am certain that they would very much like to establish a similar presence, and while they remain very active throughout the region, I don't foresee the reestablishment of a presence similar to that which the Cubans and Soviets enjoyed in Grenada. First of all, I think our efforts in

Grenada have served to discredit Cuban and Soviet intentions vis-a-vis the Caribbean in the eyes of the other Caribbean states. Secondly, I think Cuba has been chastened somewhat by our decisive intervention and is unlikely to attempt anything on the same scale as their Grenada involvement in the near future; and thirdly, the popularity of our intervention with the people of Grenada and their great dissatisfaction with the communist regime which was being imposed upon them are very well known and appreciated throughout the Caribbean.

NATO ALLIANCE

Chairman Tower. Admiral McDonald, in a contingency in Europe, the key to success of the NATO Alliance will be the ability of the United States to deliver military power to the continent. How confident are you, Admiral McDonald, that you can control the sea lanes to permit Europe to reinforce in this type of contingency?

Admiral McDonald. [Deleted.]

PANAMA CANAL TREATY

Chairman Tower. General Gorman, the Panama Canal Treaty was the subject of much debate here in the Senate. From your point of view, how is the implementation of the Treaty proceeding? Are you satisfied that our national interests in the region are continuing to be adequately served?

General Gorman. The implementation of the Treaty is proceeding very smoothly. We have a continuous dialog with the Panamanians on all levels and I am satisfied with the process and that our national interests in the region are being served. The cooperative relationship between the U.S. and Panamanian Forces responsible for the combined defense of the Canal continues to strengthen in highly productive ways. The U.S. Forces have not encountered significant operational problems in fulfilling their Treaty-related responsibilities and in protecting U.S. national interests in the region.

PANAMANIAN GOVERNMENT LEADERSHIP CHANGES

Chairman Tower. General Gorman, what can you tell us about the recent change in leadership of the Panamanian Government?

General Gorman. It appears to be totally internal. There have been no major changes in attitude toward the United States that I can see, and I have been assured that the government, to include the Panamanian Defense Force, remains committed to the democratic process and the May 6 presidential elections.

"BIG PINE" EXERCISE

Chairman Tower. General Gorman, would you give us a brief summary of the recent "Big Pine" exercise and what was accomplished?

General Gorman. The "Big Pine," or AHUAS TARA II exercise recently concluded in Honduras was a resounding success in meeting its objectives of improving the readiness of US forces, supporting the US diplomatic posture in the region, and enhancing the professionalism of the Honduran Armed Forces and their ability to provide for their self-defense. It was a series of combined exercises with each side working together. From a US military perspective, it exercised a large number of our forces by rotating more than 10,000 men and women—over a 6-month period into an operational environment like they might experience anywhere in the world. The 46th Engineer Battalion from Alabama completed engineering tasks never before practiced under such realistic conditions. What they did in Honduras is similar to what they would be expected to do in Europe if they were sent to reinforce NATO. The largest participating unit was the 43rd Support Group, headquartered at Fort Carson, Colorado. It is an organization that was brought into the US force structure in 1966 to provide all types of logistics and maintenance support in an overseas theater. This was its first overseas deployment, and the challenges they faced in providing service support were similar to those they would meet in any undeveloped theater. The same applies to the 41st Combat Support Hospital: like the 43rd Support Group, the unit had never before deployed overseas. In Honduras the medical staff was able to provide support to US personnel and conduct training by the identification and treatment of diseases which, while anticipated in the Third World, are not found in the US. The Artillery battalion and the Marine battalion encountered training challenges of terrain and climate which are not duplicated in the US. Additionally, they exercised with our allies, establishing combined procedures, techniques, and professional military experience which will be valuable in future combined US–Honduran activities or other multi-national operations. The Aviation battalion operated the UH–60 helicopter in the most extended field deployment experienced by that system to date. The UH–60 s were flown at rates which have not been experienced since US forces were employed in RVN. The reliability and maintainability of the UH–60 was proven in AT II, demonstrating the wisdom of procuring that system. The military personnel who participated in AHUAS TARA II departed, trained in their individual and collective skills and experienced in extended field duty in an undeveloped theater. More importantly, their humanitarian activities demonstrated the US citizens' concern for the welfare of the people of Honduras. They provided, on their own, medical, sanitary, and educational improvements which created a close bond between our forces and the people of Honduras.

SITUATION IN BEIRUT

Chairman TOWER. General Stone, please give us an update on the situation in Beirut.

General STONE. Yes, Sir. On 6 February the decision was made to remove non-combatants and the USMNF from Beirut. These actions were completed 26 February with the reembarkation of the 22 MAU. As of 6 March, [deleted].

These forces remain ashore to provide security at the embassy and expanded security assistance to the Government of Lebanon/Lebanese Armed Forces (GOL/LAF) should it be requested. Currently, [deleted]. The last 100 members of the Italian MNF contingent departed Beirut 5 March. [Deleted.]

The American University of Beirut and Beirut University College began the second semester 5 March. The Beirut Airport and Beirut port remain closed, however, a decision to reopen both facilities is expected shortly.

TROOP CEILING

Chairman TOWER. General Stone, for the last two years, Congress has imposed a ceiling on the number of U.S. military personnel stationed in NATO Europe.

How has this ceiling affected the military capability of our forces in Europe?

One purpose of the ceiling was to warn our NATO Allies that Congress would not permit the planned growth in U.S. troops without a greater contribution by them to the common defense.

How have our Allies reacted to the imposition of the ceiling?

General STONE. Regarding the first portion of your question, the European Troop Strength (ETS) ceiling has had a negative impact on military capability in Europe. Programmed growth was cancelled and two military intelligence units and two squadrons of OV–10 aircraft (all 42 aircraft assigned to Europe) are being returned to CONUS to reduce the troop strength request for fiscal year 1984. These actions were taken to reduce fiscal year 1984 ETS requirements to 320,000 with 2600 GLCM spaces exempted.

Of primary concern are the effects a continued ceiling will have on the programmed force improvements in Europe. Congress has authorized procurement of a number of new systems that are designed to fill voids in our capability to engage Warsaw Pact forces. In many cases, these systems were designed to be additive to the current force structure. For example, the multiple-launcher rocket system (MLRS) is designed to deliver a heavy volume of fire on massed targets deep in the Main Battle Area. The MLRS is a new capability that does not replace an existing system. Additional troop requirements were created by this system. The F–16 procurement, in some cases, was based on 24 aircraft squadrons replacing 18 aircraft F–4 squadrons. This increase allows for greater combat power with increased manpower efficiency; however, the overall greater number of aircraft does result in a modest net increase in the total number of personnel required in Europe. DOD has been forced to trade-off existing capabilities to provide additional spaces to resource these new requirements. Under a continued ceiling, we will eventually be forced to return more combat elements to make room for the new systems, or else cancel the deployment of those new systems in Europe.

Looking to the future, a continued ETS ceiling could jeopardize plans to develop and deploy new systems designed to interdict the Warsaw Pact follow-on forces. Such systems will require additional manpower. USEUCOM's position has been that while the second echelon must be attacked if a conventional defense is to succeed, it cannot be attacked at the expense of our capability to defend against the initial attack of the first echelon. If Congress authorizes the needed follow-on force attack systems, it should also allow the associated manpower growth.

Regarding the second portion of your question dealing wth allied reaction to the troop strength ceiling, the allies are just now focusing on the possible implication of the ETS ceiling. During the past year, the main focus of the allies has been on intermediate range nuclear force modernization. As the allies focus on ETS limits, it is most unlikely that the ETS limits will have the effect on the Europeans desired by Congress.

Western Europe cannot defeat a conventional attack by the Warsaw Pact without massive U.S. assistance. If the Europeans perceive that the U.S. is not serious about a conventional defense capability for countering the USSR's massive conventional military machine, then the ETS ceiling may encourage the Europeans to cling to a defense posture that depends primarily on the nuclear deterrent, or they might possibly drift toward a more neutral political position.

With the current popular concerns regarding INF deployments and nuclear deterrence in general, the climate is approaching when European governments could become more interested in developing a more viable conventional defense capability. There is a real danger that the ETS ceiling will work in opposition to that positive development. A continued U.S. ETS ceiling hazards convincing the Europeans that conventional defense is not a viable option, and may lead them to decrease their conventional defense efforts accordingly.

LIGHT DIVISION

Chairman Tower. General Stone, the Secretary of the Army recently testified the Army is currently planning to convert the 7th Infantry Division to an ultralight 10,000-man infantry division. Was USEUCOM consulted in this decision? Do you see a role for this ultralight division in Europe?

General Stone. HQ, USEUCOM was advised of the Army decision. It was not consulted about the design or resulting ability of the proposed restructured division to perform its European missions.

As you know, the conversion of the 7th Infantry Division to a light division would reduce the wartime unit strength from 16,000 to 10,000 men. Such a unit can be easily deployed and may be useful in certain specialized operations such as fighting in forested and urban terrain. The effectiveness of such a division in the critical central region will be assessed. The threat we face in that area is armor and mechanized forces.

The new light division must be heavy in its anti-armor killing capacity to be of greatest utility in the European Theater. More definitive judgment must await the opportunity by USEUCOM to examine in detail the structure of the new division.

QUESTIONS SUBMITTED BY SENATOR PETE WILSON

AIRBORNE ASW ASSETS

Senator Wilson. Admiral McDonald, in your opinion are there adequate airborne ASW assets in your command to meet the submarine threat in the Atlantic?

Admiral McDonald. I am comfortable with the number of land-based maritime patrol aircraft as long as we continue to upgrade the sensor systems of these aircraft. We need to continue to modernize sea-based ASW aircraft as well since, as you know, sea-based ASW aircraft are complementary to, not competitive with, land-based ASW aircraft. I do have some concerns, however, particularly as we grow to the 600 ship Navy. For example, as I pointed out in my statement, inner zone ASW helicopters with dipping sonars are nearing the end of their useful lives and must be replaced with new and updated systems. We must also have middle-zone fixed wing aircraft. Sonobuoy inventories, both active and passive, are improving but they are not yet at the levels which I would like to see, and additionally I need your continued support for the advanced light weight torpedo program.

INCREASED SOVIET SUBMARINE PRESENCE

Senator Wilson. Admiral McDonald, what, in your opinion, is the military significance of the increased Soviet submarine presence we read of off our east and west coast shores?

Admiral **McDonald**. I think the presence is exactly what the Soviets advertise it to be. It is their "analogous response" to our deployment of Pershing IIs and GLCMs in Europe. They stated that they would station submarines off our coast in order to place targets within the continental United States under the same degree of risk as the INF missiles place some targets in the Soviet Union. [Deleted.]

Senator **Wilson**. Do you believe that these deployments represent a long-term shift in Soviet deployment strategy or simply a short-term political maneuver?

Admiral **McDonald**. [Deleted.]

STRATEGIC AIRLIFT ASSETS

Senator **Wilson**. Admiral McDonald, you mention in your testimony that expansion of strategic airlift asset is essential for you to successfully carry out your tasks in the Atlantic. Could you elaborate on this point? What kinds of assets in particular? Are you familiar with the Airlift Master Plan and would you endorse this plan as a means of expanding airlift to allow you to successfully carry out your tasks?

Admiral **McDonald**. I have been allocated [deleted] C–5s and [deleted] C–141s plus [deleted] the Civil Reserve Air Fleet to support [deleted] our operations in a major Atlantic/European war. While this is adequate to move the personnel required, there would be major delays in the movement of materiel. This materiel is essential [deleted].

Our airlift requirements are reduced considerably [deleted] however, our airlift allocation is also reduced [deleted]. We would still experience some cargo lift delays [deleted]. To ensure all our units and associated cargo arrive when required, I need [deleted] additional [deleted] C–5s and [deleted] C–141s [deleted]. After that, our allocated airlift would be adequate to sustain our operations. I endorse efforts to improve our ability to lift men and materiel where we need them, when we need them. The Airlift Master Plan appears to offer a long range solution to airlift shortfalls, but it is a long range solution, and will not alleviate my immediate concern.

RIO TREATY OBLIGATION COSTS

Senator **Wilson**. General Gorman, have you calculated cost to us of meeting our Rio Treaty obligations.

General **Gorman**. No, sir. The Inter-American Treaty of Reciprocal Assistance is a defensive, coalition pact which requires signatory hemispheric governments to consult and act collectively in response to aggression. The military costs of responding to any aggression, of course, would be proportional to the level and extent of the aggression.

Questions Submitted by Senator Sam Nunn

READINESS TRAINING AND EQUIPMENT

Senator **Nunn**. General Stone, did our military operations in Lebanon reveal any specific shortcomings in readiness, training, or equipment that we should be aware of?

General **Stone**. Whenever you operate in a different environment for a period of time you gain experience—lessons learned that can help modify future operations wherever they may be. In Lebanon we learned that our HUMINT capabilities need to be further developed and that we need to be able to combine that input with other sources to develop a more complete more accurate picture. Intelligence fusion programs will be an area of increased emphasis. We learned that the added security gained by more remote basing carries a price of more difficult communications. Some of our ships offshore exceeded the range of the traditional communication systems. We plan to address communications equipment and procedures to minimize the interaction handicap. We learned the value of overhead cover for static forces in their fighting and living positions. We plan future study and will solicit your support to help remedy the equipment handicaps once we agree on the best solutions.

CHEMICAL DEFENSE

Senator NUNN. General Stone, what is the current situation of our forces in Europe with respect to their capability to defend themselves against chemical attacks? What are the most urgent shortcomings in this area?

General STONE. Our ability to sustain effective operations in a chemical environment remains limited primarily due to degrading effects of assuming a chemical defensive posture. Exercises reveal rapid degradation of operational effectiveness when forces are compelled to operate in a contaminated area (e.g., [deleted]. Most urgent shortcomings are those associated with the following needs: development of individual protective items which minimize degradation to the wearer; procurement of collective protection equipment to allow relief from individual protection; procurement of decontamination assets to allow rapid return to preattack conditions; acquisition of effective monitoring and detection equipment to help avoid contamination and determine effectiveness of decontamination; development of effective therapeutic materiel and protocols to assure rapid return of affected personnel to duty; and acquisition of major systems (e.g., tanks, planes, ships) which are inherently operable in a contaminated environment. However, even the best achievable defense will result in operational degradation and significant military disadvantage if enemy forces are not subjected to comparable conditions. Improved chemical retaliatory capabilities are essential, to deter initiation of chemical warfare by the enemy and to allow comparable degradation of enemy capabilities should deterrence fail.

COMMUNICATION EQUIPMENT

Senator NUNN. General Stone, what is the current status of our front-line European forces with respect to adequate communication equipment? Do any serious shortcomings of radios, walkie-talkies, and the like now exist?

General STONE. In general, our tactical commanders are faced with communications shortcomings resulting from lack of capacity or capability, susceptibility to interception, jamming, direction-finding and physical destruction, and lack of interoperability with allies.

Programs to correct known shortcomings have been initiated and are contained in the FYDP.

A few brief examples are provided to illustrate the nature of the problems faced:

a. Significant shortcomings exist in front-line communications capability in that currently fielded tactical (walkie-talkie) type communications (single channel radio) are susceptible to interception, jamming, and direction finding, each of which can adversely affect the performance of our fighting forces. We are looking forward to the development of SINCGARS (Single Channel Ground and Airborne Radio System), a set of equipment developed under the TRI-TAC Program which will overcome these current shortcomings and, by replacing several current radio systems, will help improve front-line communications maintainability and sustainability.

b. Another shortcoming which could seriously affect our front-line forces in a near-term war in Europe is that reinforcing reserve forces are equipped with older analog multi-channel communications gear, while forces in Europe possess newer, digital equipment. The two types of systems are incompatible. Until reserve forces receive newer equipment, the ability to communicate between reinforcing reserves and in-place forces will be severely constrained.

c. The shortage of medical capability in the combat zone dictates that optimum efficiencies be applied for best casualty care. To obtain the required efficiency, rapid and reliable medical communications capabilities are needed, but do not currently exist. Dedicated communications systems between USEUCOM Joint Medical Regulating Office, subordinate medical offices, and airlift forces is needed to manage critical acquisition programs such as obtaining blood, blood products, and essential medical supplies.

d. [Deleted.]

READINESS

Senator NUNN. General Stone, what would you identify as the most serious readiness shortcomings in U.S. Army forces in Europe? What is needed to remedy those shortcomings sufficiently for you to have confidence in our readiness?

General STONE. In order to overcome the conventional imbalance between NATO and WP forces, U.S. Army forces in Europe require enhanced readiness capabilities in combat and combat service support, air defense, and chemical operations, both defensive and retaliatory. Army readiness is adversely effected by deficiencies in these areas. Needed as part of the required improvement is your continued support for host nation support (HNS) programs, similar to the German Wartime HNS package designed to supplement USAREUR and USAFE with over 90,000 personnel. This program allows U.S. reinforcement to be employed in combat roles. In air defense, we require uninterrupted acquisition and fielding of Patriot, Divad, and Stinger. Additionally, I Hawk will be used through the 90's and continued modifications will be required for it to remain credible. In chemical operations, we need money to procure and equip both troops and essential civilians with adequate defensive protection. Production and fielding of binary chemical munitions is crucial to a NATO non-nuclear response to WP predicted use of chemical weapons.

GRENADA OPERATION SHORTCOMINGS

Senator NUNN. Admiral McDonald, what shortcomings in training, readiness, equipment, and the like were revealed by our operation in Grenada? If the United States were to face a more serious conflict in the Caribbean area, what would you identify as the most serious deficiencies in our military capability and readiness?

Admiral McDONALD. The answer to Chairman Tower's question provided information which indicates our shortcomings during the Grenada operation. In a major global war these problems, if not corrected, would hamper our efforts, perhaps severely. I can envision no instances in the Caribbean, short of global war, where deficiencies in our readiness would impede our capability to conduct sustained operations. [Deleted.]

SUSTAINABILITY

Senator NUNN. General Stone, how do the sustainability objectives of our European allies compare to that of our U.S. forces in Europe.

Do their forces have the same sustainability today as our forces?

For example, how many days of supply of conventional ammunition will U.S. Army Europe have at the level of fiscal year 1984, and how many days of supply will be held by our NATO Allies?

How many days of supply of conventional ammunition will U.S. Army, Europe, have at the end of fiscal year 1989 and how many days of supply will be held by our Allies?

General STONE. Sustainability objectives are generally greater for U.S. forces than NATO Allies. Theater ammunition goals for U.S. forces are [deleted] for air and sea forces and [deleted] for land forces. The agreed NATO stockpile objective for national stocks is [deleted]. The difference between these objectives is driven by the need to sustain U.S. forces until strategic lift becomes available to effect resupply from CONUS.

In the area of conventional ammunition, on hand days of supply of U.S. ammunition are [deleted] for both the Army and the Navy, and [deleted] for the Air Force. It should be noted, however, that numerous specific items are below desired levels. [Deleted.]

Based on SHAPE Logistics Evaluation of DPQ-83 Responses, approximately [deleted] of the allied nations are at the [deleted] level for munitions. Individual shortages also exist, and in many cases parallel U.S. shortages (i.e., air-to-air missiles and ATGMs). In addition, some nations have plans to procure U.S. munitions which are also shortage items within U.S. stocks (i.e., AGM-65 "Maverick" missiles and MK-20 "Rockeye" munitions).

Days of supply of ammunition for U.S. forces show a continuous upward trend. Analysis of fiscal year 1985-89 POM indicates that days of supply for USAREUR will grow from [deleted]. Review of the SHAPE Logistics Evaluation of DPQ-83 Responses also indicates upward trends in Allied ammunition with a majority of nations projecting significant improvement in stockage levels by 1988.

It is agreed NATO policy, published in Allied Command Europe Directive 80-50, that, [deleted]. NATO direction was promulgated in order to protect the political sensitivities of individual Allies.

MUNITIONS STOCKS

Senator NUNN. General Stone, General Lawson's statement indicates that:

"Some munition stocks, most notably air-to-air missiles, naval munitions and specialized, high technology munitions are well below our required stockage to the point where they could be classified as 'war stoppers'."

General Stone, you might be interested to know that according to the Congressional Budget Office, fiscal year 1985 budget now proposes buying nearly 1,700 fewer tactical missiles in fiscal year 1985 than last year's budget projection for fiscal year 1985.

Do you think the budget trends in munitions are in the right direction?

How long will it be before your munitions stocks rise above the "war stopper" level to a level that inspires a little more confidence?

General STONE. Senator, budget trends for munitions are generally favorable. I am unaware of the specific reductions you refer to or how these proposed reductions might be allocated to CINCEUR. As I stated earlier, there are [deleted] of supply for the Army and Navy and [deleted] for the Air Force. The 1985 FYDP projects the Army and Air Force to [deleted] stockage levels by fiscal year 1989 and the Navy should be at [deleted] of their requirement in threat oriented munitions by the same year.

Specific critical munitions stocks for the theater such as air-to-air missiles and high technology munitions also show significant upward trends. [Deleted.]

Overall the 1985 FYDP provides for significant increases in expenditures for these stocks. There is no question, however, that any significant reductions in procurement of "war stopper" munitions from those recommended by the 1985 FYDP would seriously degrade our war fighting capability.

IMPROVEMENTS IN CONVENTIONAL POSTURE

Senator NUNN. General Stone, General Lawson's prepared statement indicates that although the improvement of conventional forces has been a goal for many years, "progress has been sporadic and inconsistent in terms of pace and scope." Given the 40 percent real growth in defense spending from fiscal year 1980 to fiscal year 1984, this is not an encouraging statement. In your view, what improvements in our conventional capability in Europe have we gotten from the large increase in defense spending since fiscal year 1980?

General STONE. Much has been and is being done to meet our most critical deficiencies. Many of the areas now viewed as deserving priority attention enjoy that status only because of our success in remedying more fundamental deficiencies. The increasing priority associated with early attack of follow-on forces reflects increased confidence in our conventional capability and in our ability to manage the front line battle. Similarly, our increasing concern for reinforcement shipping protection, testifies to the significant expansion of reinforcement planning which has occurred in the past several years. Some of these improvements in conventional capability include:

Continued modernization of armor forces, the deployment of modernized antitank ammunition, fielding of improved air defense weapons, and increased POMCUS fill levels.

[Deleted] support for fleet contingency operations improved with increased availability of [deleted].

[Deleted.]

Activation of the [deleted].

Support equipment for limited operational capability Europe (LOCE) has been installed. The system will combine, correlate, display multi-source ground situation information to provide near real time support C2 nodes.

[Deleted.]

Army support was markedly improved by the CY83 activation of initial equipment holding units of the wartime host nation support (WHNS) model.

COD/VOD capabilities were improved by deployment of a sixth C-2A aircraft and the HC-4 VOD helicopters.

Dissemination of intelligence data has been improved by installation of an automated message handling system in the tactical fusion centers.

[Deleted.]

READINESS

Senator NUNN. General Stone, General Lawson's statement indicates that "O&M shortfalls carried forward from previous years continue to hamper current readiness . . . Battalion field training days, aircraft flying hours and ship steaming time are well below the level where we can feel confident." What are the current operating levels of U.S. forces in Europe? How do they compare to fiscal year 1980 operating levels? How far are these levels "below the level where we can feel confident?"

General Stone. Land Forces: Currently, USAREUR reporting units total [deleted]. Of these [deleted] are rated combat ready (C1–C3). [Deleted] of the units had 80 percent (ALO3) or more of their required strength. At the end of 1980, [deleted] units were reporting, with [deleted] C1–C3. [Deleted] of these had 80 percent or more of their required strength. The goal for land forces is to achieve [deleted] Naval Forces. The operational tempo for sixth fleet surface ships is currently 63 ship days underway per quarter against a LANTFLT budget of 55 days/quarter. Aviation units report 22 flying days per month per aircraft. In fiscal year 1980, ship days totaled 50 days per quarter against a budgeted 46 days. Aviation reports were 12 fly days a month. There are no shortages in ship days currently. Air Forces: In fiscal year 1984, U.S. Air Forces in Europe (USAFE) will fly nine major types of tactical aircraft with a total flying hour program totaling over 234,000 hours. In 1980, USAFE flew seven different major types of tactical aircraft with a total flying hour program of over 177,000 hours. To reach the level of pilot combat capability desired in fiscal year 1984 would require an additional [deleted] hours for six of those aircraft types.

NORTH ATLANTIC DEFENSE SYSTEM

Senator Nunn. Admiral McDonald, in your prepared statement you refer to the critical importance of the proposed North Atlantic Defense System—or "NADS"—for the success of our maritime strategy in the North Atlantic. You state that this program has your "highest priority" support, and would you identify this program as one that should be fenced off from any eventual cuts in the budget?

Admiral McDonald. As I noted in my prepared statement, the proposed North Atlantic Defense System (NADS) is a critical factor in the success of our maritime strategy in the Atlantic and has my highest priority. I certainly hope it is funded by the service programs. I would have to stop short of recommending "fencing", thus making it immune from future budget cuts. The other CINCs obviously have programs for their theater of operations that are receiving their highest priorities. I am not in a position to compare the priority or need for these programs against the NADS program since I cannot relate to how it would impact on the entire DOD budget. Therefore, I believe it would be inappropriate for me to state that NADS, at the expense of other programs, should be fenced off from any eventual cuts in the budget.

INTELLIGENCE OPERATION IN HONDURAS

Senator Nunn. General Gorman, on February 9, the "Washington Post" carried a front-page story entitled "Reconnaissance Flights Planned in Honduras." This story was based on a five-paragraph Pentagon release. The "Post" story, using the Pentagon release, detailed the planned operation to include the dates, the unit involved, the location where that unit would be based, the equipment to be used and the mission to be undertaken. This unit was the 244th Military Intelligence Battalion. Do you as the area Commander have some concern about release of information of this nature? Did anyone in OSD public affairs get yours or the JCS concurrence to release this information? What is your general view on publicly providing details on a sensitive operation in advance of that operation? Do you believe this unit's mission has been compromised as a result of that release?

General Gorman. Sir, the release of information about peacetime reconnaissance in overseas areas is always of concern to the overseas commander. My command was aware in advance of the content of the Department of Defense announcement of February 8, which included information about the deployment of the 224th MI Battalion. A week earlier, news media in the Battalion's home station had openly speculated about the unit's impending departure to Honduras, and its mission there. This media attention was based on leaked information. Such leaks, whether in Washington or in the field, are the sort of things which are potentially inimical to our national security. The information subsequently released by DOD about the battalion, such as unit designation, approximate strength, type of aircraft, and deployment time frame, was consistent with normal release policy for peacetime activities and may have been required to preclude speculation.

Questions Submitted by Senator Carl Levin

READINESS AND SUSTAINABILITY

Senator Levin. General Stone, on page 4 of his statement, General Lawson says that "in a number of readiness and sustainability areas, persistent shortfalls should be substantially improved by the end of the program period (fiscal year 1985—fiscal year 1989) . . . We have made modest progress in reducing the funding bow wave which deferred to the out years the commitment of monies in readiness and sustainability."

Aren't these claims contradicted by Assistant Secretary Korb's statements that major readiness and sustainability funding was deferred to the out years of both the fiscal year 1983–1987 and fiscal year 1984–1988 programs and that out year "get well" funding "never come(s)?"

General Stone. Some persistent shortfalls in readiness and sustainability should be substantially improved by the end of the programming period—providing Congress maintains the emphasis the DOD has recommended in the fiscal year 1985 budget and associated Five Year Defense Plan (FYDP). It is true that past FYDPs have pushed a bow wave of unfulfilled requirements maintaining "get well" dates in the last year or two of the FYDP. Because of annual deferral decisions many "get well" objectives were never attained. Now, with recently added emphasis and the help of the Congress maintaining that emphasis, we have made progress in reducing the funding bow wave and are committing more money near term.

READINESS

Senator Levin. General Stone, you say that "O&M shortfalls carried forward from previous years continue to hamper current readiness, in spite of recent increases in the program. Battalion field training days, aircraft flying hours and ship steaming time are well below the level where we can feel confident." This budget does not provide for enough flying hours to meet the Navy's goal for combat air crews per month and it falls as much as 20 percent short of providing the number of flying hours to Air Force Tactical Air Command pilots that the Air Force says it needs per month. Considering these facts, how can you say this budget provides the proper balance between readiness and sustainability and modernization?

General Stone. Balance between readiness, sustainability, and modernization is never static. A "proper balance" is attained only as a snapshot in time. The European Command is now experiencing improvements in warfighting capability that were initiated in budgets of previous years. Priorities funded now will enhance the force of the late 1980's. Readiness, sustainability, and modernization are as much a force triad, albeit an internal one, as are our conventional, INF, and strategic nuclear forces. U.S. European Command sees the internal triad as requiring the fielding or improvement of weapon systems including those mentioned in General Lawson's statement (M–1 tank, Bradley FV, etc.) while paying simultaneous attention to the concerns of maintaining our present weapon systems, and sustaining our personnel. Our service chiefs and the component CINCS are putting their budgets to work to best achieve their NATO mission.

MUNITIONS STOCKS

Senator Levin. General Stone and Admiral McDonald, you both point to ammunition shortfalls as serious problems:

General Stone—"Some munitions stocks most notably air-to-air missiles, naval munitions, and specialized, high technology munitions are well below our required stockage, to the point they could be classified as 'war stoppers.'."

Admiral McDonald—". . . ordnance deficiencies remain the most serious detriment to my current warfighting capability."

This budget reduces tactical missile procurement in fiscal year 1985 by about 1,700 missiles for all services compared to what it said last year it would buy this year.

This budget projects that the fiscal year 1986 budget will buy about 1,000 fewer tactical missiles for the Army and 1,000 fewer tactical missiles for the Air Force than were projected last year for fiscal year 1986.

Considering this, how can you say a proper balance has been struck between readiness and sustainability and modernization in fiscal year 1985?

EUROPEAN COMMAND

General Stone. Notwithstanding minor adjustments, it is my perception that the 1985 FYDP does strike a proper balance between readiness and sustainability. Although there are some significant shortfalls in both readiness and sustainability, this budget continues the rate of progress toward "getting well," as I noted in my response to Senator Nunn on munitions. In other words, looking at the trends, I am satisfied that there is a proper balance among sustainability, readiness, and modernization.

ATLANTIC COMMAND

Admiral McDonald. Missile inventories are only one element of the readiness and sustainability posture of my command. I cannot comment on specific numbers of tactical missiles contained in the Army and Air Force procurement programs since it is not my responsibility to structure those programs; however, I can say that the readiness posture of Atlantic Command forces is improving overall and I repeat that the budget reflects a balanced program.

READINESS AND SUSTAINABILITY

Senator Levin. General Stone, General Lawson says that this budget is in "approximate equilibrium" in balancing funding for Europe Command's needs: Quality of Life, readiness, sustainability, modernization, et cetera.

Admiral McDonald, speaking for the Atlantic Command is more positive and says it contains "a proper balance between readiness and sustainability and modernization and force structure."

Aren't these statements contradicted by Secretary Korb's statements I quoted earlier as well as by this other statement by him?

"The forces assigned to our Unified Commanders are not as sustainable as they should be and will not be for the foreseeable future."

All witnesses:

Do you agree with Assistant Secretary Korb's statements quoted in questions 5 and 10?

EUROPEAN COMMAND

General Stone. As you know the perception of balancing resources to satisfy needs depends on the perspective of people making those difficult decisions. Despite sincere intentions, each perspective may have a somewhat different solution. As my previous answer indicates traditionally that "out of balance" condition is to the detriment of readiness and sustainability. Now, because of the shift of emphasis toward increasing our readiness and sustainability, we see a relative balance between resources to solve our needs. We don't forsake essential modernization or force structure programs nor do we abandon our readiness and sustainability objectives. The challenge now is for us to maintain the same relative balance—avoid the large shifts of emphasis among the various categories and acquire the capability we need to counter the threats our potential enemies currently possess. Through stable balanced funding patterns, we can do a better job of management and probably gain more net capability for the same amount of total resources invested.

ATLANTIC COMMAND

Admiral McDonald. While it is true that there has been a "bow wave" in previous five year defense plans, there is no question that the last three defense budgets have provided funding for significant readiness and sustainability improvements. The force is not as sustainable as I would like; however, we are beginning to see the results of previous funding, and the outlook is encouraging.

SOUTHERN COMMAND

General Gorman. Since Southern Command has no major forces permanently assigned to it, I have seen no evidence on funding deferrals on which to base an opinion. The small forces I have, and the forces that deploy to my region for exercises, are ready and sustainable, particularly since plans are well advanced to replace older, hard-to-maintain aircraft with new models of greater capability and reliability. Moreover, I am deactivating a mechanized infantry battalion, and plan to convert to the light infantry TO&E in the remaining two. But I only see a small slice of the total US force structure.

RESOURCE ALLOCATION

Senator **Levin**. You all appear before the Defense Resources Board annually to recommend how it should allocate funds within the defense budget each year.

Did each of you recommend that more funds be spent on O&M, readiness, sustainability, war reserves, ammunition procurement in fiscal year 1985 than what eventually was decided by the DRB and the President?

EUROPEAN COMMAND

General **Stone**. The desirable practice of including the Unified and Specified Commanders in the resource allocation decisions made by the Defense Resources Board (DRB) enables USEUCOM to influence the balance discussed in responses to your previous questions. In developing the fiscal year 1985–89 FYDP, we presented our most serious needs and pressed for a balanced approach. The Budget before you reflects, in the main, the areas of emphasis recommended by USEUCOM. Given the limitations on the overall budget, I believe a proper balance was achieved. We need Congress to fund the FYDP to maintain the positive trends to gain the advantages offered by stability and gradual (vice dramatic) shifts of emphasis. We want the current practice of inviting the Unified and Specified Commanders to input at key decision points with the DRB to continue and we plan to press for a balanced resource allocation approach.

ATLANTIC COMMAND

Admiral **McDonald**. When I appeared before the Defense Resources Board, I provided the top priority requirements for the Atlantic Command. I did not, however, make specific recommendations for funding levels in each category although I do have requirements in each. The decisions of the DRB which are reflected in the 1985 budget request do provide across the board improvements in my warfighting capability.

SOUTHERN COMMAND

General **Gorman**. I did not address the issue of the defense budget as a whole. My presentation focused on the status of the Central American countries, reviewed their security assistance needs, and recommended several command specific programs, almost all of which have been incorporated in the fiscal year 1985 budget.

RESOURCE ALLOCATION

Senator **Levin**. If I gave you a choice between reducing each of the major procurement programs by some small numbers of ship and aircraft—which would not be ready for deployment for at least three to seven years anyway—in fiscal year 1985, and with taking an equal amount of money out of O&M, Readiness and sustainability accounts, where military would be more immediate, which would you choose?

ATLANTIC COMMAND

Admiral **McDonald**. The question is one which defies a simple answer. The complexity of my answer arises from our inherent uncertainty regarding the intentions of potential enemies and our relatively clear understanding of their current capabilities. A complicating factor is the uncertainty of the timeframe during which our deterrence might fail and a global conflict might erupt. I am charged with the warfighting readiness of today's forces to engage today's potential foes. From that perspective, I need more dollars in readiness and sustainability accounts to meet the threat described in my prepared statement. However, I also understand that we cannot afford to mortgage the future of our Armed Forces to the immediate satisfaction of today's shortcomings. Furthermore, many procurements which fall under the headings of modernization and force structure have a direct bearing on readiness and sustainability. Again, as described in my statement, the Soviets are modernizing in all warfare areas and we must stay abreast if deterrence is to remain credible. Therefore, I reiterate that the budget appears to contain the proper degree of balance.

EUROPEAN COMMAND

General **Stone**. You pose a hypothetical question that requires in depth analysis by the DRB. The balanced program we discussed in previous questions was developed carefully over a long period of deliberated analysis. To gain the end product — "get well" dates in critical readiness and sustainability areas and to modernize and increase our force structure in other essential areas, we need the Congress to preserve the integrity of the FYDP. As mentioned during the hearing, the FYDP before you does not represent our total need and has in fact been substantially reduced prior to submission to Congress (approx $16B). Balance is key to our needs and the budget before you achieves that goal. We need Congress to fund the DOD request.

SOUTHERN COMMAND

General **Gorman**. That would be a Hobson's choice. The budget is crafted to be a careful balance between the various elements—procurement, readiness, sustainability—and if you must make cuts, they should be administered in a balanced fashion. This committee must not lose sight of the fact that today's procurement is tomorrow's readiness. We would be greatly disadvantaged if the Congress had been so shortsighted in years gone by as to fail to fund those weapon systems which are now entering the inventories of the services. I would urge you to approach this issue with concern for both the present and future readiness of the defense establishment.

COMMAND PRIORITY

Senator **Levin**. In your own personal professional opinion, what are your command's top five priority underfunded readiness and sustainability needs in the fiscal year 1985 budget, and in each case, how much money would be needed to be added in each account to meet that need?

ATLANTIC COMMAND

Admiral **McDonald**. [Deleted] having adequate numbers of properly trained personnel to maintain and operate the force is critical. Considering fiscal realities and the need for balanced programs, the funding level in each category is adequate.

EUROPEAN COMMAND

General **Stone**. The positive trends and increased emphasis is very welcome in the European Theater. The priorities we have are interdependent. Neither the man, nor his equipment nor the things required to make his equipment effective are more important than the others. Our priority concerns focus around fielding a ready and sustainable force today while providing for modernization and force structure for tomorrow.

Essential to having a credible force today is adequate manning—not only quality of life but appropriate training (flying hours, steaming days, training days, exercises) and adequate quantity of personnel. The European Troop Strength ceiling we have discussed throughout this testimony is not the way to reduce costs, or encourage increased defense spending by our NATO Allies, and hampers our effort to push for a better conventional defense in Europe.

In addition to adequate manning, we must provide our troops equipment that is ready to fight. Within the readiness category, we need to assure adequate inventories of equipment (fill of POMCUS sites 1–6, back-up pieces of equipment, etc), the spare parts and the associated depot maintenance and stock funds required to keep that equipment ready. Often deferred and of high priority in the European Theater are the facilities (Infrastructure) required to keep the force ready. An excellent example is funding of minimum essential facilities at Colocated Operating Bases (COBs). We need the Congress to step up to the challenge of funding the relatively small amount of facility construction we need to extract the maximum capability out of the assets we already own.

The FY85–89 FYDP continues the positive trends in our sustainability accounts. We fall short of our objective in munitions (especially air-to-air missiles, antiarmor, etc), spares, consumables, weapons and equipment. We need the Congress to enact funding to meet our objectives in these categories and to provide the lift associated with distributing those sustainability assets where they are needed and when. We need to speed up the acquisition and fielding of inter and intra theater lift systems from the C–17 aircraft to additional five ton trucks. Our priority needs to field a credible force are extensive and complex. We urge the Congress to continue the emphasis on readiness and sustainability.

SOUTHERN COMMAND

General Gorman. The Southern Command is rather unique in that it does not have assigned to it large forces which would be available in time of war. In our planning, we consider a broad range of contingencies, and for the most part, the forces to be applied in each case would come from the CONUS. As I mentioned earlier, those programs which I argued for before the Defense Resources Board were funded in the budget, therefore I have no specific underfunding to contest. I would submit, however, that those service and JCS submittals which address exercises should be fully supported by the Congress. I believe that the national attention given to AHUAS TARA II in Honduras has reawakened the realization on the part of the Congress and the American people that exercises send signals—they are more than just readiness vehicles—they are instruments of national policy which we should continue to exploit to the fullest.

Chairman Tower. We will reconvene at 2 p.m.

[Whereupon, at 1:03 p.m., the committee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

The committee met in open session, pursuant to notice, at 2:07 p.m., in room SR-222, Russell Senate Office Building, Senator John Tower (chairman) presiding.

Present: Senators Tower, Goldwater, Warner, Quayle, Nunn, Bingaman, and Dixon.

Staff present: James F. McGovern, staff director and chief counsel; Alan R. Yuspeh, general counsel; L. Wayne Arny III, Richard D. Finn, Jr., William E. Hoehn, Jr., George K. Johnson, Jr., David S. Lyles, Bruce D. Porter, James C. Smith III, John G. Campbell, professional staff members; Judith A. Freedman, research assistant; Marie Fabrizio Dickinson and Patricia L. Watson, staff assistants.

Also present: Gerald J. Smith, assistant to Senator Goldwater; Les Brownlee, and Guy I. Copeland, assistants to Senator Warner; Ronald P. Kelly, assistant to Senator Humphrey; Dale F. Gerry, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Henry J. Steenstra, and Bernard R. Toon, assistants to Senator Quayle; Mark J. Albrecht, assistant to Senator Wilson; Jeffrey B. Subko, assistant to Senator Exon; Peter D. Lennon, assistant to Senator Levin; James Steinberg, assistant to Senator Kennedy; M. Jon Beard, assistant to Senator Bingaman; and Charles C. Smith, Jr., assistant to Senator Dixon.

Chairman Tower. The committee will come to order.

This afternoon we continue our testimony from the commanders of the Unified Commands.

This morning we had Admiral McDonald, General Gorman, and General Stone.

This afternoon we will be hearing from Adm. William J. Crowe, USN, Commander in Chief, U.S. Pacific Command; Gen. Wallace H. Nutting, USA, Commander in Chief, U.S. Readiness Command; and Lt. Gen. Robert C. Kingston, USA, Commander in Chief, U.S. Central Command.

Gentlemen, we appreciate your coming this afternoon. It provides us with a unique opportunity to receive input from the people who have operational responsibilities.

May I say at the outset you can submit complete statements and any supporting material you wish for the record and we will include that in its entirety and you may summarize your presentation if you would like.

In any case, you may proceed as you see fit. We will first hear from Admiral Crowe.

STATEMENT OF ADM. WILLIAM J. CROWE, U.S. NAVY, COMMANDER IN CHIEF, PACIFIC COMMAND

Admiral CROWE. Thank you, Mr. Chairman.

I have submitted my statement for the record. With your permission, I would like to summarize it in the next few moments.

It is a pleasure for me to appear before this committee and to present my assessment from a military perspective of the Pacific and Indian Ocean areas.

In the 7 months since I have been assigned to my post in the Pacific I have traveled extensively in the region. I have met with many of our servicemen and women as well as leaders, both civilian and military, of the free world countries in that area. I have been encouraged with many of the things that I have found.

Having experienced the trauma of Vietnam, I would have said in 1975 that it would take us over a quarter of a century to rebuild our relationships in East Asia, but that certainly has not been the case.

We have no multilateral alliance such as NATO to focus our efforts, but I believe we have both an impressive and encouraging amount of cohesion and coincidence of view among our free world friends and allies in that part of the world which translates into a definite military plus.

If I could for a moment, I would like to review some of the countries I deal with and the kinds of issues which concern me.

I believe it is fair to say that Moscow cannot be pleased as it looks eastward into my region.

China remains terribly suspicious and opposed to the buildup of the U.S.S.R. and certainly is resisting its expansion.

Japan is firmly oriented toward the West and I believe their commitment is increasing every year.

The Republic of Korea remains one of our staunchest allies.

The Soviet Union has not been able to increase or expand its influence in any substantial way in the ASEAN region or the South Pacific Islands.

If you take a look at its own confederation, I suspect Moscow considers North Korea at best an unreliable and ungrateful ally.

India remains unaligned. Afghanistan I would not characterize as a success, either politically or economically.

The one notable success perhaps for the Soviet Union has been Vietnam. We estimate they spend about $1 billion a year in assistance to Vietnam.

Our credibility in the region, I suspect, was at an all-time low in the wake of Vietnam, but I am happy to report that our Government has made vigorous efforts to reverse that trend and I think it is beginning to pay dividends.

We have, of course, canceled the decision to withdraw from Korea and the Government has strengthened our bonds with all our allies as well as the friendly nations in the region and widened those ties.

In a variety of ways, the U.S. Government has manifested and expressed an unequivocal commitment to remain a Pacific power.

I think as a result of that, we perhaps have closer relationships today in the region than we have had for some time.

My statement goes on in some detail to treat our relationships with each of these countries, but due to the press of time, I would like to mention only three.

I believe it is important to note that there is a cautious emergence in Japan as a responsible member not only of a regional council, but world global councils. She is resisting Soviet intimidation, she is widening her ties with ASEAN nations and she is expanding her aid to the Third World developing nations.

I detect increasing disposition on the part of Japan to address military matters, to cooperate with the United States, to exercise with us and confront one of her perplexing military problems.

The fact remains, however, that Japan is not spending a sufficient amount of money on its own defense. This is important not only for regional stability, but the defense of Japan itself.

They have set their own goals, but in my mind they are not making sufficient investment to meet those goals. My headquarters attempts to identify these shortfalls constantly. In every way available to us, we try to persuade Japan to do more.

I would like to emphasize that we feel this is important for the stability of the region as well as for the defense of Japan.

The People's Republic of China has become a strong regional power. From my vantage point in Honolulu, I think it is important that our relationships with that country improve. Despite our ideological and philosophical differences, I believe there is a strong common interest on which we can build a viable relationship.

In any event, China looms large in our strategic thinking and must be taken into account in our military calculus.

As Congress is well aware there is cause for concern in the Republic of the Philippines. Our bases there remain important. They are important for several reasons:

For the defense of the Philippines.

To permit us to carry out our security responsibilities under the Mutual Defense Treaty.

And also our defense responsibilities region-wide.

Thus far I do not believe that the political turmoil has spilled over on the bases and we are making vigorous efforts to prevent that.

In the last year we completed a review of the bases which I believe is immediately satisfactory, both to the Government of the Philippines and to the United States, and I would fervently hope that the Congress in the next year will act favorably on that review.

Through our joint military exercises and contacts in the area with our friends and allies, we attempt to assist in their training and make their equipment more compatible with ours. Above all, these exercises and discussions give us an opportunity to encourage those countries to increase their own indigenous strength.

We firmly believe that if they can defend themselves, it is a boost and encouragement and furnishes stability and influence throughout the region.

One of the most interesting and important aspects of East Asia is that it is the United States' largest trading partner. Thirty percent of our commerce goes to that region, a great deal more than to the European Economic Community.

As a matter of fact, it runs in the neighborhood of $137 billion a year which is an increase of about 43 percent over the last 4 years.

Our single largest overseas trading partner is Japan. That figure is somewhere in the neighborhood of $60 billion a year. Japan, of course, has profited from the most remarkable post-war economic recovery in Asia, but it is not the only successful country.

Korea, Taiwan, and Hong Kong have enjoyed increases in their GNP of over 10 percent for the last 15 years.

Singapore, Malaysia, and Thailand are not far behind. As a matter of fact, it is the only region in the world that has grown over the rate of 10 percent for a protracted period.

Some economists estimate that some of these countries will be attaining Western living standards within the next 50 years.

These remarkable facts are rather embarrassing for the totalitarian countries of that part of the world. The Soviet Union has failed to penetrate these robust markets despite the fact it would like very much to do so. It sends 7 percent of its exports to East Asia and receives 12 percent of its imports from that remarkable region.

I think it is important to recognize that this rather exciting progress has taken place behind a shield of U.S. strength. For the last 30 years these countries have stood behind U.S. power as it deters Soviet interference and intimidation.

This has permitted them to recognize and realize their own potential and mature politically and progress economically.

At the same time, the Soviets, who have been thwarted politically and economically, I believe, have now come to the conclusion this is a terribly strategic, significant part of the world. Perhaps it is no longer as vulnerable to their intimidation and their blandishments as it used to be. They are now turning to the one tool they can control unilaterally and exploit themselves, and I am talking about military strength.

Clearly their objective would be to upset the balance in that part of the world and hopefully to overcome the restraint of the U.S. deterrent.

Historically the Soviet Union has concentrated its attention militarily on Western Europe. However, today it is turning its efforts more and more to the Far East.

We see remarkable increases in sophisticated weapons throughout the provinces of the Soviet Union and throughout the Western Pacific and Indian Ocean.

This committee is aware of the character and scope of the Soviet threat. I would like to highlight some of the more representative Soviet threats in my area.

The Soviets have access to Ethiopia for both naval and air deployment, primarily in the region of Dahlak Island. They have access to Aden in South Yemen, again for both naval and air deployments.

They are exercising their influence in every way they can in the Seychelles, Madagascar, and Mozambique. You are aware of their presence in Cam Ranh Bay.

On any given day we see 20 to 22 surface units operating out of Cam Ranh Bay and 4 to 6 submarines. Recently we have seen an accession of ground equipment to support aircraft deployment. They have more air deployed throughout that region today than they have had for some time.

Bears and Badgers are being deployed out of Cam Ranh Bay and are capable of interdicting all lines of communication in Southeast Asia or the South China Sea. Their most dramatic developments have taken place in the far eastern provinces of the Soviet Union itself.

In the sixties they had 20 divisions deployed on the China border. Today that figure has grown to 52 modern divisions possessing modern artillery, armored vehicles, and tanks.

Their air development has been just as impressive. We estimate that today they deploy in that part of the world some 1,200 fighters, 500 interceptors, 350 strategic and theater bombers. We are seeing MiG-23's, Fencers, Backfire bombers, and MiG-21's.

Their SS-20 deployments in that part of the world have gone from 100 to 135 launchers. These triple-headed launchers make the missiles total somewhere over 400.

In essence, they have extended their range considerably in the Pacific. Their range of attack, their ability to create a potential battleground has been extended considerably.

Likewise, their navy is employed in some force. We see one-fourth of all the surface units in the Soviet fleet in the Far East, over a third of their submarines and a third of their naval associated air.

It is a blue water fleet in every sense of the word. Its power projection capability has been improved considerably with access to Cam Ranh Bay as well as to their facilities in the Indian Ocean.

Since 1965 their outside home water deployment has increased ninefold.

Our attention, of course, has always been concentrated on the Soviet Union, and rightfully so, but we have one or two surrogates in the area that we are still very, very concerned about.

North Korea is unpredictable and dangerous, as was graphically illustrated a few months ago with the brutal attack in Rangoon. It spends a higher percentage of its GNP on armaments than any other country in the entire world. Estimates range as high as 26 percent. It is imperative that we be alert to deter and deal with aggression on the Korean Peninsula.

Vietnam has over 1 million men under arms. The Soviets contribute $3 million a day to this effort. That money alone permits Hanoi to carry on the oppression of the Khmer people which is taking place in Kampuchea.

Today the Soviet Union and its surrogates are carrying on consistent improvement in their military strength to attain those objectives which they could not obtain in the economic and political arenas.

What they have done with this inventory is completely extend the threat. They have extended the potential battle zone not only over our allies, all of Japan, all of the PRC, all of Korea as well as the Philippines, but well out into the Pacific.

They are capable of attacking U.S. forces and now the Aleutian Islands, which is U.S. soil.

From the U.S. perspective, this puts a premium on nuclear deterrence, the outer air battle, our ability to mount long-range attacks in response, and our ability to protect our lines of communications and our bases.

The United States is not standing still. I would suggest that in the last few years we have seen a remarkable turnaround in some of the curves in our own security fortunes and I believe this Congress deserves credit.

I have seen a number of systems introduced into my command, the *Vinson* carrier, the *Ohio* class submarine, *Los Angeles* attack submarine, *Spruance* destroyers, *Perry* class frigates, F/A–18 fighters, CH–53 helicopters, F–16's, M–198 howitzers and a variety of ground equipment.

Our theater war reserves, our ammunition, our sustainability and our POL stocks are all climbing. The people we have are as good as any I have seen in 40 years of service.

Nevertheless, we have some distance to go. The expanding threat in the wake of Vietnam has presented us with a demanding and prolonged challenge. This requires a consistent and thoughtful security policy geared for the long run instead of the peaks and valleys that have characterized so much of our peacetime efforts.

Now let me speak to the fiscal year 1985 budget. I believe it is a positive step forward, it seems to me, to provide some of the things that we need today as well as to provide for the future.

I would like to now mention some of the things with regard to the Pacific region. I would put a high priority on strategic nuclear modernization, not because it is necessary to my responsibility or one of the things I deal with day to day, but I believe all our efforts in the military establishment throughout the world must rest on a viable and credible nuclear deterrent foundation.

That is certainly true in the Pacific. I cannot hypothesize any scenario where it would be in our interest to be dealing from nuclear inferiority.

If we are forced to engage in global hostilities, in my command, I would envision intense sea and air engagements in the Northwest Pacific and in the vicinity of the Aleutians, and wherever the Soviet forces are.

Therefore, the administration's determination to build a 600-ship Navy goes right to the heart of my major concern. We have six carrier battle groups in the Pacific currently operating at full strength. In the event of war, they would have a variety of missions.

Not only would they oppose the Soviet Navy, they would be engaged against the land-based air order of battle of the Soviet Union. They would be required to offer air defense to our friends and allies, keeping sea lines of communications open between the Pacific and Indian Ocean.

It is imperative that this battle group number not be reduced and we complete CVN–72 and 73. There are 23 other ships in the budget. This will enhance our ability to counter the Soviet buildup.

In my view, we must preserve the momentum of the shipbuilding program.

Equally important is the air battle. I would, of course, prefer more, but the 350 new fighters, Air Force, Marine, Navy, which are in the budget are critical. They certainly are critical in my region.

One of the most frustrating features of the Pacific theater is its long distances. Consequently, I put great emphasis on the dual fighter which will have a longer range.

The most glaring deficiency in the theater is lack of long-range delivery platforms. This would go a long way to correct that deficiency.

These same vast reaches force me to look at the airlift. I am constantly concerned about our ability to lift the ground forces, Marine forces as well as support for both Army, Navy, and Air Force.

Therefore, I have particular interest in the C–5 and also the monies that I hope ultimately will result in the development of the C–17.

The U.S. Air Force growth to 40 tactical fighter wings is particularly welcome. I am convinced we still enjoy a qualitative advantage when we face a predominant order of battle such as in the Far East where the Soviet Union's numbers do count.

I do not have many U.S. ground forces in my region. I have the 2d Division in Korea, the 25th Infantry Division in Hawaii as well as the Fleet Marine Force.

Improvement in the ground forces in this budget will be some help to us. The armored vehicles, artillery and helicopters will pay dividends in Korea. Likewise, they will make the 25th Division more deployable, more versatile and more useful to me throughout the Pacific region.

The 17th Division which the Army is proposing seems to me to have some merit. I do not know where it will be assigned, but worldwide we have a need for more combat ground units.

In summary, all of these improvements will go a long way to improve the military posture in the Pacific.

The most pressing everyday concern of an operational commander is sustainability. I constantly must be mesmerized and preoccupied with my ability to fight today and sustainability goes to the heart of that necessity.

In the last few years we have seen significant improvement in practically every dimension of that subject, but it will be some time yet before I will feel comfortable.

The administration does have long-range plans in the sustainability area and I think it is important to implement those.

My No. 1 priority is ammunition. The fiscal 1985 budget includes significant improvement in air-to-ground and Army munitions as well as Navy munitions, for both the Marine Corps and Navy ships.

In the Pacific they are all sorely needed. We need more, but I am satisfied with the trade-offs in this budget. I feel it is a positive step forward in that regard and I can say that because our out year planning calls for further increments and accretions which are also important to us. We must maintain the momentum in the critical area of ammunition.

Similarly, the budget calls for investment in spare parts and similar consumables, POL stocks. These are the stuff of combat and they have my vigorous support.

READINESS AND TRAINING

Just a few comments in that regard.

I am pleased with the Air Force budget on readiness and training. It will keep Air Force flying hours high and keep their training and exercise readiness high.

In the Navy both flying hours and steaming hours have been cut to what I would consider a minimum. We can live with that, but I would suggest that I would be hard pressed and it would be unsound policy to make further reductions.

One of the reasons I say this is that history suggests that we are hit almost every year by unprogramed demands which come out of our training, out of our flying hours, and out of our steaming hours.

This was illustrated last year by the deployment in the Eastern Mediterranean as well as Central America and in the Western Pacific with the shooting down of the Korean Air Lines Flight 007.

In the flying business, reduced flying hours lead to accidents and often fatalities.

I would urge this committee, if you are looking for offsets, not to look in the O&M area. This is particularly disastrous from an operational standpoint, not only in reducing our effectiveness and perhaps increasing our accident rate, but it will cut our momentum down and it is extremely difficult to restore that momentum and start building again.

Personnel is another subject to which operational commanders are particularly sensitive. As we get the new and modern combat arms which we need so badly, as we expand in that regard, we certainly need the personnel levels to man them.

I would suggest that if you are looking at personnel in terms of a cutback, make every effort to see that our new systems are not imperiled by that cutback.

If we are to be vigorous and effective, it is important that we attract our educated and talented young men and women. With the modern threat and increasing sophistication, we need these people badly and we must retain them.

We are only now recovering from some of the shortages that we suffered from previous neglect. I thank this committee for their help in this recovery.

I ask you, I urge you, that in considering these matters, you continue to give the needs of our people, as you have in the past, high priority in your deliberations. They are our greatest asset.

If we enjoy one single advantage over our potential opponent, in my view, it is in the quality of our people.

The budget does not provide all my needs or resolve all my problems, but I can support the budget. I feel that the trade-offs that are made in our budget are wise ones, that it is a significant step in the right direction and that it is just part of the process, part of a long process.

If we were to have a major confrontation today in the Pacific, I suspect I would say that it is too close to call. I submit that is not good enough for this great Nation.

Consequently, I look at the fiscal year 1985 budget as only one step in a long trek. Our challenge is great. We must continue this momentum in order to build up, in order to be able to change that judgment so that we will have more confidence in our ability not only to deter, but to prevail.

I would suggest that, while I know there are many demands on the budget, a strong defense is one of the cornerstones of our freedom, prosperity, and our progress. For my part and my command's part, I assure you, Mr. Chairman, that we will continue to strive in every way to maintain stability and peace in our region. That is our fundamental mission.

To be successful we need hardware, good people, and your support.

Thank you.

[The prepared statement of Admiral Crowe follows:]

PREPARED STATEMENT OF WILLIAM J. CROWE, JR., USN, COMMANDER IN CHIEF, U.S. PACIFIC COMMAND

Mr. Chairman and members of the committee: I appreciate the opportunity to provide my assessment of the Asia-Pacific region from the perspective of a military commander. It's always a pleasure to meet with the members of this committee . . . either here in Washington or as you visit with our people in the U.S. Pacific Command.

Since assuming my present assignment last July, I've traveled extensively throughout the Asia-Pacific area. I've met with our servicemen and women, as well as with the civilian and military leaders of many allied and friendly nations, and I'm impressed by what I have seen. Having experienced the Vietnam drama at firsthand, I would have predicted in 1975 that it would take a quarter of a century to rebuild our East Asian relationships. This has not been the case. While we do not have a multilateral alliance, such as NATO, to focus our efforts, we have an impressive and encouraging cohesion and coincidence of view among the free nations in the Pacific which translates into a definite military plus.

POLITICAL-MILITARY REALITIES

Moscow cannot be pleased as it looks eastward. China remains suspicious and opposed to the Soviet build-up in the Far East, Japan is firmly western-oriented—promising to become more so yearly, and the Soviets have made little progress in influencing the ASEAN region, our ANZUS allies, and the South Pacific nations. North Korea is neither a reliable nor grateful Soviet ally. India remains nonaligned and Afghanistan is proving a costly venture both in monetary and political terms. The Kremlin's one notable political gain has been in Vietnam and this at the cost of $1 billion annually in economic and military assistance.

Although we are not without political problems, we have profited from some of the hard lessons we learned in the last decade. Following the Vietnam conflict and our proposal to withdraw American ground combat troops from the Korean Peninsula, U.S. credibility in the region fell to an all-time low. However, our vigorous efforts to reverse this trend have paid off. The withdrawal from Korea was cancelled. Our links to Japan, the Philippines, Thailand, ANZUS, and ASEAN have been broadened and tightened. The initiatives with China are gradually bearing fruit. In a variety of ways our Government has reaffirmed its unequivocal commitment to the stability and affluence of the region. As a result we have closer relationships today with our Asian allies and friends than we have had in many years.

Reinforcing these trends has been the cautious emergence of Japan as a responsible participant in regional and western global councils. In my opinion, Japanese leaders are increasingly prepared to address mutual security problems and consider serious self-defense efforts. Similarly, they're taking a strong stand against Soviet intimidation, increasing their ties to the Association of Southeast Asian Nations (ASEAN), and expanding their economic assistance to a wide range of developing countries.

There is still the need for Japan to better perform its self-defense roles and missions. The military threat is so real—and growing—that Japan's defense capability must of necessity be developed to contribute to an effective free world deterrence in that vital area. Since my return last July to the affairs of the Pacific, I have been encouraged by many of the changes in Japan—and in our defense relationships with that country. There has been expansion of our combined planning, interoperability and exercises with Japan's self-defense forces. I perceive a growing disposition to develop a meaningful Japanese self-defense capability. At the same time, I have been encouraging the Japanese leadership to make the necessary investment to meet their own self defense goals and to develop a credible capability. Given the stretching of our own forces and the magnification of the Soviet threat to the region, they as well as other allies must do more for their own security.

There are encouraging signs on the Korean Peninsula. South Korea's military posture is improving steadily. Notwithstanding the size and capability of the North Korean forces and Pyongyang's bitter rhetoric, I believe that both Moscow and Beijing have compelling reasons to avoid a new Korean war, and therefore, act as restraining influences. I should add that I regard the Republic of Korea as among the staunchest of the United States' allies.

The People's Republic of China continues as a strong regional player. PRC officials have voiced support for NATO, resisted Soviet expansion in the Third World, joined the IMF and World Bank, and sought Western technology, credit, and trade . . . all encouraging signs. From the vantage of my responsibilities, I regard it as important that our bilateral relations with that huge nation continue to improve. While we represent differing ideologies, we do have common interests which will facilitate this process. The PRC, of necessity, looms large in my strategic thinking and must be part of our political and military calculus in the Pacific.

Farther south, the members of ASEAN are drawing closer together. Their steadfast condemnation of the Soviet invasion of Afghanistan and Vietnamese actions in Kampuchea is indicative of their resolve to stand up and be counted as free world nations. We in the Pacific Command, of course, recognize Thailand as a frontline state, as well as an ally. We believe it is important to support and encourage that country in its determination to resist Vietnamese intimidation.

The current political situation in the Philippine Republic is cause for concern. Our use of Philippine bases is important to Philippine security, to U.S. obligations under the Mutual Defense Treaty, and to our regional security responsibilities. Our close association with that nation and its courageous people warrant our keen interest. I might add that I believe our military presence in the Philippines is widely appreciated and accepted within that country, although I recognize there are some who do not so regard it. During the past year, we conducted a mutually beneficial review of our facilities in the Philippines. I would strongly urge the Congress to fully support the outcome of that review.

In the Southwest Pacific, Australia and New Zealand are full-fledged partners with the Asian community. We continue to value and nourish our close bonds, under ANZUS, with both governments. A number of Pacific island nations have gained independence and are developing with the encouragement of the free world and behind the shield of U.S. strength. Not insignificantly, all of these countries have chosen democratic systems of government. Within our means, we in the Pacific Command are seeking to work with them in the furthering of our mutual security interests.

Our combined military exercises contribute to the cohesion of the region. They are steadily increasing in scope and size. These events allow us to operate routinely with our allies and friends, assist in their training, enhance compatibility of our weapon systems, and test mutual procedures. The value of these exercises cannot be overemphasized. Moreover, this device assists us in encouraging our allies to improve their indigenous strength. The greater this capability, the better the prospects for regional peace and stability.

ECONOMIC VITALITY

The Asia-Pacific area continues its phenomenal economic growth as the United States' largest trading partner, accounting for over 30 percent of our total world trade . . . well beyond that with the European Community. Our commerce with the region in 1983 amounted to $137 billion, an increase of over 43 percent in just the last four years, and these trends promise to continue. In essence, the stability and well-being of our East Asian allies and friends depends in large part on an elaborate network of interlocking economic ties. We neglect this reality at our peril.

As you know, Japan's postwar economic recovery represents a notable success story. But she is not alone. The Republic of Korea, Taiwan and Hong Kong have experienced about a 10 percent annual increase in their GNP's in each of the last 15 years. Singapore, Thailand, and Malaysia are not far behind. The prospects are favorable that many nations within the Pacific region will attain the equivalent of western living standards by the end of the lifetime of most Asians being born today. There is also a concerted effort in the People's Republic of China to modernize and participate in this economic miracle.

These facts are ideologically embarrassing for such totalitarian nations as Vietnam, North Korea, and the Soviet Union. One of the more interesting aspects of this economic picture is the Soviet failure to penetrate these robust markets. Only 7 percent of all Soviet exports are destined for the Asia-Pacific area, and the USSR receives but 12 percent of its total imports from this vast region.

Despite the exciting progress of the peoples of the region, and of our friends and allies, there is another side to the picture. Thwarted politically and economically, the Soviets are clearly concerned that free world nations in the region are less and less susceptible to Soviet blandishments, ideology or intimidation. They appear to be turning more and more to the one tool which they can develop and exploit unilaterally . . . their military power.

SOVIET FAR EASTERN MILITARY STRENGTH

There was a time when the Soviets devoted the preponderance of their armament effort to the European theater. European-based Soviet and Warsaw Pact forces received the latest weaponry in substantial numbers, and much less attention was paid to the Pacific Basin. That era has ended. Today, the Far East is receiving modern weaponry at a relative pace in excess of even the Soviets' western front forces.

This is not to imply that Moscow has downgraded its Warsaw Pact allies. It is simply to acknowledge that the Kremlin has likewise turned its attention eastward and is now emphasizing the long neglected Far Eastern capabilities. It is doing so with weapons which substantially enlarge the potential battle zone in the region. Indeed, the Soviets now possess the ability to put U.S. forces at risk far into the Mid-Pacific and can threaten most of Alaska from homeland airfields and SS–20 bases. That capability did not exist a few years ago. I must also emphasize that the pace of their efforts is not slackening.

Mr. Chairman, I know this committee, in its deliberations, seeks the best possible understanding of the precise nature and extent of possible threats to the security of the United States. In that spirit, I would like to devote a few minutes to offer a representative sampling of recent Soviet activities in the Far East.

This committee is aware that the U.S. Pacific Command encompasses the Indian as well as the Pacific Ocean. In regard to the former, we see a continuing and increasing Soviet investment in the port facilities at Dahalak Island, in the Red Sea, which services Soviet ships in the Indian Ocean. In the Seychelles, we are observing a dedicated Soviet effort to expand access and influence, and—this past year—the insertion of a body of North Korean military advisors who clearly serve Soviet purposes. In Madagascar and Mozambique, energetic Soviet efforts to expand access have been evident this past year.

In Southeast Asia, the port and airfield at Cam Ranh Bay, in Vietnam, have become exceptionally valuable to the Soviet navy. On any given day, up to 20 Soviet surface ships, and four or more submarines, are in that strategically located port. Until recently, deployment of a few Soviet Bear long-range reconnaissance aircraft was the normal presence. During the past year, however, ground support facilities were developed for a much larger aircraft presence. In late November-Early December, the Soviets began deploying Badger aircraft to Cam Ranh. Currently, about nine of these bombers are stationed there. The significance of these dispositions is that they provide the Soviets with a capability to "strike" and interdict the vital sea lines of communications throughout Southeast Asia. Moreover, they pose a direct challenge to our Philippine allies and U.S. facilities in that country.

In Northeast Asia, steady expansion and modernization of Moscow's warfighting capabilities continue. In 1983, the Soviets replaced a squadron of MiG–21's on Japan's northern territories with MiG–23's. This places these more capable aircraft well within range of the northern districts of Japan. Also in 1983, the number of long-range Backfire bombers was increased bringing the total in the Far East to 80. Far East SS–20 bases during the year continued to be constructed at an alarming rate. We now count 135 of these triple-headed launchers, up from 100 at the end of 1982, and are expecting the buildup to continue.

Overall, the Soviet Far East fleet now numbers in excess of 800 ships of all types, including over 120 submarines—over half are nuclear powered and more than 20 are SSBN's. The Soviet Far East air force has an inventory of some 350 long-range strategic and theater strike bombers, and approximately 1,200 tactical fighters and 500 interceptors. I am particularly concerned with the Fencer and Flogger aircraft, which can reach all of Japan and Korea, as well as a large portion of the PRC. Similarly, they represent a greatly increased offensive threat to U.S. and allied forces in the area. We anticipate that over the next several years, Flanker and Fulcrum aircraft as well as the highly sophisticated Blackjack bomber will be added to the order of battle—thus greatly increasing the risk not only to our forces in the Western Pacific but to Alaska and Hawaii as well.

Two final notes on the Soviet threat. In addition to the SS–20's, the Soviets will be replacing older generation nuclear missiles in the Far East with SS–21's, SS–22's, and SS–23's, and substantially enhancing their nuclear artillery capabilities.

Secondly, years ago we looked at the Soviet navy as largely a homeland defense force. With the mushrooming of that navy, and its increased sophistication, it has now become a blue water fleet, available for a far more diversified and offensive role. To demonstrate the point, since 1965 Soviet navy deployments outside of Soviet home waters have increased—in terms of ship days—about nine-fold. Much of that expansion has occurred in the Pacific Command theater. I might add that recently the second of the Soviets' three *Kiev*-class carriers arrived in our theater.

OTHER POTENTIAL ADVERSARIES

The Soviet threat ranks number one in the Pacific, as elsewhere in the world. As such, it has received the most attention. But it is certainly not the only menace. We have fought two wars in the Pacific in the last 33 years, and both of our adversaries in those conflicts are even more formidable today. Actions during the past year reaffirmed North Korea's irresponsibility and willingness to use violence to achieve its political goals. Notwithstanding the restraining influence of Beijing and Moscow, Pyongyang is an unpredictable and dangerous adversary. North Korea continues to spend an enormous percentage of its gross national product on its military—probably the highest percentage in the world. The brutal bombing in Rangoon has once again reminded the world of Pyongyang's penchant for violence. We have little choice but to be constantly alert for North Korean aggression on the peninsula and in the adjacent air and sea space.

The Vietnamese possess a strong and capable armed force which is of much concern to many of our allies and friends . . . notably Thailand and the other ASEAN nations. Today, the Vietnamese military numbers over 1,000,000 strong. It represents a major threat to peace in the region. About 160,000 Vietnamese troops occupy Kampuchea today, and no reduction is in sight. For their important foothold in Southeast Asia, and to buttress their surrogate, we estimate that the Soviets pay the equivalent of some three million U.S. dollars per day. That support, of course, is what enables Hanoi to continue its suppression of the Khmer people.

The threat of state-sponsored terrorism is as real in the Pacific as it is elsewhere in the world. Clearly, international terrorism poses a serious menace to the safety of U.S. military and civilian personnel charged with implementing our foreign and security policies in overseas areas. We are reviewing our plans and procedures to counter this threat throughout the U.S. Pacific Command.

In summary, Moscow and its surrogates are improving their military posture in a determined and consistent fashion. Clearly, the Kremlin is bent on using military strength to gain what it cannot win in the Pacific's political and economic arenas. The potential battle zone is being enlarged every year. The Soviets are literally shaping their capability to threaten our allies, the connecting lines of communications, more and more of our sea and air forces and now U.S. soil, i.e., the Aleutians, Alaska, Guam, the Northern Marianas, Wake, Johnston Island and Hawaii.

U.S. PACOM FORCES

From the U.S. perspective, these Soviet improvements put a premium on nuclear deterrence, the outer air battle, our ability to attack sea and land targets from long range, the air defense capabilities of both our allies and the U.S., and more effective defense of our sea lines of communication and base structure.

Although the Russians have been improving, the U.S. has in no sense been standing still. Clearly the last few years have seen a remarkable turn-around in our security programs. The Congress deserves considerable credit for this reversal. In the Pacific we have seen an impressive number of new weapon systems introduced across a wide spectrum, e.g., the aircraft carrier *Vinson*, *Ohio*- and *Los Angeles*-class submarines, *Spruance* destroyers, *Perry*-class frigates, F/A 18 fighters, CH-53 helicopters, F-15's, F-16's, M-198 howitzers, and wide improvements in ground equipment. Moreover, theater war reserves, ammunition, sustainables and petroleum stocks are all climbing. The nearly 360,000 men and women assigned to USCINCPAC's operational command are as good as any troops I've seen in my 40 years of service. Our soldiers, sailors, airmen and marines are professional in every sense of the word. They're well educated, bright, dedicated, hard working and possess a genuine sense of purpose. If we enjoy a marked advantage over our opponents in any area, it is in the quality of our personnel. (It's difficult to be discouraged about the future of our country when you work closely with our young people—I find it the most rewarding part of a service career). Consequently, it is essential that we continue to put great emphasis on personnel policies and programs.

Despite these improvements, however, we have some distance to go. The expanding capabilities of our potential adversaries combined with the neglect our services suffered in the post-Vietnam years present us with a demanding and prolonged challenge. To keep pace with our potential adversaries is going to require a consistent and thoughtful security policy geared to the long run instead of the peaks and valleys which have characterized much of our peacetime history. There are always strong competing demands on every budget requiring thoughtful tradeoffs. I would suggest, however, that one of the cornerstones of our prosperity, freedom and progress must of necessity be a strong security posture.

I believe the fiscal year 1985 DOD budget to be a positive step forward in strengthening our defenses. In my view, it strikes a good balance between tomorrow's requirements and the needs of today. Let me sketch what it does for the Pacific region.

FORCE LEVEL AND MODERNIZATION

My highest priority is strategic nuclear modernization. In my view, all of our military efforts in the PACOM area must rest on the foundation of a viable and credible nuclear deterrent. I cannot hypothesize a situation where it is in our interest to be dealing from nuclear inferiority. Upgrading our theater nuclear posture combined with the supporting survivable and enduring C^3 systems is also important. I strongly support all the areas of the budget which address nuclear modernization.

If global hostilities break out, I foresee intense and immediate air and sea engagements in the Northwestern Pacific, in the vicinity of the Aleutians, and wherever Soviet air and naval forces are based. Therefore, the administration's determination to reach a 600-ship navy goes to the heart of PACOM's needs. Over one-third of the Soviet Union's naval assets are deployed to the Pacific and as detailed earlier their capability and reach are steadily improving. Six carrier battle groups are assigned to PACOM and they are at full strength. Under no circumstances can we afford to see that number reduced. In this regard, it is imperative to complete CVN 72 and 73. Likewise, there are 23 other ships currently under construction which will enhance the fleet's (and in turn USCINCPAC's) ability to counter the Russian buildup and to maintain a credible deterrent. I cannot overstress the significance for PACOM of preserving the momentum of our shipbuilding program.

In a similar vein the air balance is of utmost importance in the Pacific. While there is a need for more, the 350 new Air Force, Navy and Marine fighter aircraft in the budget are critical. Equally key is the proposal to develop a dual purpose (long range) attack aircraft. The most glaring shortfall in my air inventory today is the lack of a long range delivery platform. The contribution such a weapon system would make to our offensive posture in the Pacific where long distances are our greatest frustration is obvious. For these same reasons, my command looks forward to the development of the B-1 and "advanced technology bomber." When they enter the inventory I will be urging the retention of B-52G's which can deliver conventional ordnance. All of these steps will be necessary to deter the Soviet challenge. Likewise, the vast reaches of the Pacific make airlift an important element in PACOM planning. Therefore, I support the C–5 aircraft in the budget and, in turn, the ultimate fielding of the C–17.

USAF growth to 40 TFW's is particularly welcome. While we continue to maintain a qualitative edge, in dealing with the impressive Soviet inventory, numbers do count. In essence we need sustained growth in our sea- and land-based air just to hold our own. The planned deployment of two F–16 squadrons to Misawa, Japan is one of our most important improvements. Your support of this initiative is critical.

My theater has relatively few ground forces but they are very important to our assigned missions. They include the 2nd Infantry Division in Korea, the 25th Infantry Division in Hawaii and the Fleet Marine Force Pacific. The Army programs for modernizing its armored vehicles, artillery and helicopters will pay large dividends in Korea and make the 25th Infantry Division more deployable and versatile. Likewise, the projected Marine Corps improvements will considerably enhance my most flexible and mobile ground formations. While it is not clear at this point where the 17th Army Division, included in this budget, will be assigned, the proposal has merit. There is a worldwide need for additional combat units.

In summary, all of these force modernization programs will go a long way to improving the posture of the USPACOM forces. However, it is also essential that C^3 programs included in the fiscal year 1985 budget also be funded which will provide the requisite communications to effectively command and control the existing and projected forces in the theater. For our C^3 systems to be survivable, secure, and reliable so as to support a rapid transition from crisis to general or nuclear conflict, we must continually update them, and the fiscal year 1985 submission is essential in that respect.

SUSTAINABILITY

The most pressing everyday concern of an operational commander is sustainability, because this impacts on his ability to fight "today." Fortunately, we are now seeing improvement in practically every sustainability dimension. It will be some time before we have the levels that will make commanders comfortable, however, the administration's long range plans call for steady advances in this area and if implemented will correct the bulk of our deficiencies around 1988–1989.

My highest priority is ammunition. The FY–85 budget calls for significant procurement of air-to-ground (Maverick, Harm, Harpoon), air-to-air (AMRAAM) and Army munitions (Stingers, Sgt York gun, and Patriot), and Navy/Marine Corps armaments (Tomahawk, Sea Sparrow, Phoenix, Harpoon and Harm); all of these are sorely needed in PACOM. I would, of course, like to see more investment in this area but given the overall demands on the budget I am satisfied with the tradeoffs which have been made. This judgment, however, is conditioned by the fact that outyear planning calls for further increases across the board. Simply put, our ammunition deficiencies will not be corrected easily or quickly. I would urge this committee as you deliberate the President's budget request to maintain the momentum you have established in the critical area of sustainability.

Similarly, the submission calls for the three services to invest heavily in spare parts and similar consumables. We are also making substantial progress in expanding our POL stocks and improving the distribution of those stocks by providing better placed and modern storage. All of these steps upgrade our ability to engage an adversary rapidly and effectively. They are the stuff of combat and have my support.

READINESS AND TRAINING

In the area of readiness I am pleased with the budget's support for Pacific Air Force's flying hours. On the other hand, fiscal tradeoffs have cut Navy steaming days and flying hours to the minimum. We have been particularly hard hit by unprogrammed demands such as the deployments to Beirut, Central America and the KAL–007 search. These crises offer some training on their own account and thereby offset some of the losses in planned training. While I would prefer additional monies in these accounts, I can make do with the proposed program—if it is cut no further. In my opinion, additional reductions in operating funds would create prohibitive risks. This is graphically illustrated in the flying business. When you do too little training, accident and fatality curves rise sharply.

I understand the impact of the many competing national priorities you face in your budget deliberations. However, I ask that this committee not look for large fiscal offsets in the vital area of operations and maintenance funding. It is true, of course, that slashes in the O&M account show the most immediate results. But substantial reductions in readiness also occur almost immediately, and the get-well period takes a disproportionate amount of time. Further the added losses due to accidents and reduced proficiency, may offset monetary gains.

PERSONNEL

Operational commanders are always sensitive to manning levels. As our combat arms structure expands, so must our manpower. Authorizations lost through reductions or imposed ceilings need to be carefully considered to insure that our capability to operate and maintain new systems is not imperiled.

To keep our services vigorous and effective, we must attract some of the most talented and educated of our youth, because the threat is great and the sophistication of our weapons is increasing. Once trained (at great cost), we ask the best of them to stay on, that we may make full use of their scarce skills and expensive education. We are only now recovering from critical personnel and skill shortages caused by previous neglect, an improvement for which I thank this committee. I ask that you continue to give the needs of our people, both in terms of compensation and quality of life, a high priority in our deliberations. They are our greatest asset.

CONCLUSION

In summary, there is greater unity of effort and more cooperation among the many free nations in the Asia-Pacific region than I would have thought possible only a few years ago. Our people are good and they're dedicated to preserving peace and maintaining a keen fighting edge.

But I'm deeply concerned that the Soviet Union has also developed a full appreciation of the enormous strategic importance of the Pacific Basin, and is taking great strides to modernize and expand its influence. Constrained diplomatically and economically, the Soviets are resorting to military power to achieve political aims. In all candor, the probable outcome of a major U.S.-USSR confrontation in the Pacific today remains too close to call. I submit that this is not good enough for this great Nation.

I would not pretend that the proposed budget provides all my needs or resolves all my problems, but I am persuaded that it is well balanced, the tradeoffs are wise ones and it is a significant step in the right direction. I must repeat, however, that this is just part of the process. It is necessary to consider this year's proposals in the context of the longer term program. If we are to restore the strength we need to match the growing threat we must have consistent and rational improvements over a long period of time.

Allies and friends in the USPACOM area of responsibility need our continuing assurance of resolve and determination to remain a Pacific power in the face of growing Soviet power. As a nation, we cannot go it alone. We need the individual and collective support of our allies and friends. We have made considerable progress in improving our national defense in the last three years. If we can sustain that momentum, I believe the future is bright. I can assure you that the Pacific Command will continue to devote its energies to preserving peace and stability—that is our fundamental mission. We need the hardware, good people and your support to be successful.

Chairman Tower. Thank you very much, Admiral Crowe.

General Nutting.

STATEMENT OF GEN. WALLACE H. NUTTING, U.S. ARMY, COMMANDER IN CHIEF, U.S. READINESS COMMAND

General Nutting. Thank you, Mr. Chairman and members of the committee.

I welcome this opportunity also to present the state of the U.S. Readiness Command and the Joint Deployment Agency.

I have provided a prepared statement which I believe under your direction will be entered into the record. I am pleased to summarize the major points of that statement. I do so recognizing that the U.S. Readiness Command, of the six unified commands, is the one that does not have at the present time overseas area or geographic responsibilities.

Its responsibilities are largely functional in nature with one very important exception and that is the land defense of the Continental United States.

The Readiness Command, because of its supporting relationship with the forward deployed area commands necessarily adopts a global perspective in its daily mission performance.

I would not presume to repeat the comments on the evolving threat that my colleagues have made and will provide, but I would in summary just offer my own personal appreciation of the evolution of the threat in the geostrategic arena as we have seen it in the last 20 years or so, in terms of the growth of Soviet forces, force capability, access to base structures worldwide and of power projection capabilities as they have increased.

I think in addition to the increased capability found in the Pacific Basin, Southeast Asia and Indian Ocean to which Admiral Crowe has alluded, it is possible to state that the Soviet Union has achieved an objective set in 1961 and, in more than a theoretical sense, has outflanked NATO.

I believe it is possible also, given the advance of Soviet force capability and base access in our own hemisphere, to say that the North American security zone, our principal security concern, has been penetrated through the Caribbean Basin and indeed, as General Gorman discussed with you this morning, our strategic rear in Latin America, as defined by the Soviet Union, has been destabilized.

In the face of these global challenges the U.S. Readiness Command, Joint Deployment Agency, and its predecessor organizations really have over a period of more than two decades met changing requirements and missions which I am pleased to discuss.

In the evolution of the last 20 years I think it is important to recognize that the U.S. Strike Command, U.S. Readiness Command's predecessor, which was organized in 1962 to deal with many of the evolutions that we have seen, did not have area responsibilities initially. It was a functional command charged with the provision of reinforcements to the other unified commands, planning for and executing contingency operations and development of joint doctrine and procedures for component forces.

In 1964, geographic responsibilities, you will recall, were assigned to the command; these were the Middle East, Africa—south of the Sahara—and South Asia. Those geographic responsibilities were removed as the command structure evolved in 1972 and the U.S. Readiness Command was redesignated at that time.

In 1979, as a result of our increasing concern over mobilization capability, the Joint Deployment Agency was activated and collocated with the Readiness Command. And in 1980 as a result of developments in the Middle East area, the Rapid Deployment Joint Task Force was organized and, of course, subsequently has evolved to become a separate unified command, U.S. Central Command.

Presently the U.S. Readiness Command carries on the basic functional responsibilities that were generated by the changing global structure of our defense capabilities over 20 years ago.

In terms of forces assigned, you recognize that the Readiness Command today has Army and Air Force components which represent the bulk of Army and Air Forces, the combat ready general purpose forces based in the United States. I would observe like my colleagues that the fiscal year 1985 budget under discussion promises many needed improvements in readiness, sustainability and modernization of those forces, totaling about 234,000 personnel, who are under the operational control of the Readiness Command.

The missions of the U.S. Readiness Command are several fold. We must maintain a strategic reserve of general-purpose, combat-ready ground and air forces, available for the reinforcement of the combatant commands. Additionally, even after the establishment of the U.S. Central Command, the U.S. Readiness Command is required to provides a joint task force headquarters for worldwide contingency operations, a mission that necessarily includes contingency planning and planning support. We are obliged also to provide a second joint task force headquarters, if required by circumstances, for the military support of civil defense and the defense of the Continental United States. Finally, we provide similar support to Alaska, and, in conjunction with our Canadian counterpart, the Forces Mobile Command, to North America as a whole. I would add, concerning this last item, that we fortunately have never had to consider seriously any threats to North America, having been well protected by the oceans. But, I think now in light of the changing nature of warfare, including the emergence of state-supported international terrorism, that this is a threat that requires more of our attention than it has in the past.

Finally, the Joint Deployment Agency is responsible for planning, coordinating, and monitoring the movement of our Active and Reserve Component Forces within the continental United States and their deployment overseas for employment, most likely, under the control of an established area command.

One way we have of dealing on a day-to-day basis with these missions is to view them functionally, as being composed of a number of mission areas. The first of these is an area of considerable interest, I recognize, to this committee: The monitoring of force readiness.

Acknowledging that the service departments' responsibilities for organizing, training, and equipping forces gives them principal responsibility for readiness of those forces, Readiness Command nevertheless has an opportunity to exercise joint monitorship of our central reserve. I would acknowledge, as was discussed to a certain extent this morning, that the posture among those assigned forces has not largely changed in the past year.

There have been improvements in the Air Force component of Readiness Command.

In Army Readiness Forces, similar degrading factors principally remain although less so than in the past. In personnel, largely a shortage of skills is responsible rather than numbers as it has been in the past; and in equipment, factors which to a significant degree result from changing tables of organization and equipment which are reported as shortages immediately upon publication of these documents, although they may not have at the time a substantive degrading effect.

Air Force component deficiencies largely today are in the area of their war readiness spares kits. There have been improvements made in that sustaining support area in the last couple of years and program support will result over the next 2 years in the repair of that particular deficiency.

From our experience in joint training matters, the Readiness Command has some concerns about a shortage of mobile tactical communications assets, especially the need for modernization of our tactical communications. I would urge your support of those elements in the service budget.

The second mission area that we are concerned with daily involves joint planning. I have already indicated our concern, I think logically growing concern, for security in the continental United States. We are refining our concept for such operations as might be required in the future. We will exercise our ability to provide military support for civil defense this year and are working closely with the Federal Emergency Management Agency to clarify organization, system, and procedures that will allow us to respond as the situation dictates, both in peace and war as requests may be received from civil authority.

Our major goal in the Readiness Command in the last year has been to enhance our joint contingency planning capability. We are making an initial effort this year to develop a computer-assisted joint theater level simulation which will be exported to the other unified commanders. We believe this new tool will be useful in the rapid analysis of military courses of action and the answering of "what if" kinds of questions, providing more time for decision.

We are also involved deeply now in the development of an automated joint deployment system to support crisis planning and deployment execution.

Readiness Command, in close cooperation with the U.S. Army Training and Doctrine Command and Air Force Tactical Air Command, has joined in a memorandum of agreement to develop joint operational concepts and procedural manuals. Over the last year or two good progress has been made in the identification of needs in the operational area and in the production of manuals, documents which will further assist in the development of joint interoperability of our forces.

The U.S. Readiness Command also provides an interface with the Joint Chiefs of Staff and the other unified commands and Office of the Secretary of Defense on the interdiction weapon systems, specifically with responsibility to develop joint techniques and procedures for the operational employment of those interdiction systems.

I would next describe briefly the joint training mission area, acknowledging that unilateral training is of fundamental importance in each of the service departments, but obviously we have known for many years that joint operating capabilities are required. It is through the joint readiness exercises conducted under direction of the Joint Chiefs of Staff that we make our primary training contribution. We are able to bring together units from all services in the continental United States. Each exercise focuses on specific objectives and gives us an opportunity to enhance efficiency and to evaluate joint tactics, techniques and procedures and deployment capability.

We are also today assisting in evaluating other command exercises and since we are involved heavily in all of these activities and the combined relationships that they represent, we have a unique opportunity to share findings and assist in the perfection of our ability to operate jointly as well as with other combined forces.

We are this year bringing on line an automated joint exercise support system which will be used in an exercise late this year at Fort Lewis, Wash., and will provide automated support and provide more realistic training in the command post exercise environment for commanders and staffs at corps and multiwing levels. This we hope will give us an expanded opportunity to train more senior commanders and staffs without the need to exercise subordinate units in the field.

Joint operations is another mission area that consumes our attention and that relates principally, as I have already indicated, to evolving organization and procedures for a joint task force headquarters. In this regard, our mission has a global orientation.

Within the joint operations mission area, I am also extremely concerned with both the result of missions assigned to the Readiness Command and missions assigned to the Joint Deployment Agency as they affect our force projection capability. Our ability to project power in support of national strategy is a fundamental element of our military strategy. There certainly have been some major improvements brought forward, including the C–5B, the KC–10, and the CRAF enhancement. I would urge the support of the committee for those very important airlift programs.

I, too, agree, as Admiral Crowe suggested, that the C–17 promises an important new capability for the future, a capability that I believe deserves your support, not only in giving us added inter-theater, but under appropriate conditions, intra-theater airlift capability that we now do not have.

The Navy's effort to improve sealift is absolutely essential when one recognizes that, as in World War II, something on the order of 95 percent of our overseas deployment will go by surface transportation. I would strongly support, and urge your support, of ongoing efforts such as SL–7 conversions and increases in the Ready Reserve Fleet.

We are also concerned, as I am sure General Kingston will elaborate upon, with our heavy dependence today on establishment of port operations. We need greater capability in field lighterage, causeways, offshore terminals, and other logistics over-the-shore capabilities to reduce our dependence on well-developed port facilities. In future operations, such port facilities may not always be available.

I, too, want to express concern about the decline of the U.S.-flag merchant marine. In a nation such as ours that has become so dependent in an economic sense on many other nations of the world, the resources and markets, and so forth, there certainly are security implications to the reduced flag capabilities of our country. Indeed the implications are magnified as the number of U.S. flags available continues to decline. This adds an element of dependency that in wartime could confront us with war-stopping lift inadequacies. We must therefore have adequate airlift and sealift in reasonably balanced proportions if we are going to be successful in executing our strategy.

In summary, I would observe that our strategy is designed to deter and in many respects it has been successful over the last couple of decades. It certainly requires the maintenance of some degree of nuclear equivalence. Beyond that, our strategy depends upon forward deployments, represented by the other five unified commands. It also depends on an adequate central reserve. It depends upon our capability for strategically moving that central reserve and it is in these two principal mission areas that the Readiness Command continues to make its contribution.

Additionally, I would reemphasize the importance of continental security if we are going to be successful in exercising our entire strategy.

Finally, I, too, would recognize that we are all about people in uniform, each of the services. We have a high quality of personnel today, partly as a result of the strong support they have received from this committee and we would hope that that support would continue.

I am concerned otherwise, as I have indicated, about our tactical communications capability as well as the strategic mobility improvements that are necessary. I would emphasize, in concluding, that the implementation of our strategy today is critically dependent on global communications and mobility, just as successful tactical operations rely on those capabilities.

Thank you very much, Mr. Chairman.

[The prepared statement of General Nutting follows:]

PREPARED STATEMENT OF GEN. WALLACE H. NUTTING, COMMANDER IN CHIEF, U.S. READINESS COMMAND AND DIRECTOR OF JOINT DEPLOYMENT AGENCY

EVOLUTION OF THE COMMAND

Shortly after taking office in 1961, Secretary of Defense Robert S. McNamara addressed a memorandum to the Secretaries of the Military Departments and the Chairman of the Joint Chiefs of Staff which contained a list of 104 projects "for urgent accomplishment within the department." One of the projects required the Chairman of the Joint Chiefs of Staff to develop a "Plan for the Integration of STRAC (Strategic Army Corps) and TAC (Tactical Air Command) into a Unified Command and consider when such a plan should be implemented."

After several months' deliberation, the new unified command was approved and Army General Paul D. Adams was appointed the Commander-in-Chief of the as yet unnamed organization. By the end of the year, General Adams had located the new headquarters of the U.S. Strike Command (USSTRICOM) at MacDill, AFB, Florida, and on 1 January 1962, the command was officially activated. The new command's mission was to provide a reserve of combat-ready air and ground forces for the reinforcement of other unified commands, to plan and execute contingency operations, to develop joint doctrines for forces under the aegis of USSTRICOM, and to train and exercise those forces for joint operations.

Unlike the other unified commands, USSTRICOM had no geographical area of responsibility, but in 1964 the mission of the command was expanded to plan for and oversee US military operations in the Middle East, Africa and Southwest Asia. Thus, the command was redesignated USSTRICOM–MEAFSA.

In 1972, the command underwent yet another transformation: it was divested of its geographical area of responsibility and renamed the US Readiness Command (USREDCOM). USREDCOM's mission was very like that of the original USSTRICOM. In 1980, as forces were realigned to accommodate the Carter Doctrine for Southwest Asia, USREDCOM was charged to organize the headquarters for a "Rapid Deployment Joint Task Force" (RDJTF). After two years, the RDJTF was transformed into the newest of the unified commands, the US Central Command (USCENTCOM), on 1 January 1983. At that point, the responsibility for maintaining a world-wide Joint Task Force (JTF) headquarters capability reverted to USREDCOM, since USCENTCOM's mission now focused specifically upon Southwest Asia.

The Joint Deployment Agency (JDA).—Even as the new RDJTF was being organized in 1979 and 1980, USREDCOM was in the process of establishing yet another organization. As the result of findings by senior observers during Exercise Nifty Nugget in 1978, a need was recognized for a new joint agency to oversee deployment planning and execution. On 1 May 1979 the new Joint Deployment Agency was formed at MacDill AFB and collocated with USREDCOM, The Commander in Chief, USREDCOM, was given the added responsibility of Director, Joint Deployment Agency.

Since its establishment, the mission of the JDA has been to plan, coordinate and monitor the deployment of forces and materiel as directed by the Secretary of Defense. The JDA does not establish policy or priorities, initiate or execute deployments, manage transportation operating agencies or manage lift resources. Its chief role is to insure a proper coordination between many organizations involved in the planning and execution of rapid and efficient deployment of forces and material.

The evolution of USREDCOM/JDA during the past 22 years reflects in each instance a response to changes dictated by the requirements of national security. The work of the command today is no less important than that of early USSTRICOM and even now is not radically different in its mission or organization.

STATE OF THE COMMAND

ORGANIZATION—FORCES AND RESOURCES

United States law established unified and specified commands to provide strategic direction and command over all combatant forces. Consequently, within the U.S. military structure, the world has been divided into areas of responsibility with a unified command responsible for each. Certain areas remain unassigned or are retained under the cognizance of the Joint Chiefs of Staff. Of the nine unified and specified commands in existence, Readiness Command is the only unified command without an assigned geographical area. This is an important distinction, the reason for which will be explained in the discussion of the USREDCOM mission. Readiness Command Headquarters at MacDill Air Force Base, Florida has an authorized operational staff of 372 officers, enlisted and civilian personnel. The collocated Joint Deployment Agency has 199 personnel assigned. Many staff functions which are common to both USREDCOM and JDA (personnel, intelligence, comptroller, etc) are supported in both agencies by the USREDCOM staff. All four services are represented in the staff; however. Readiness Command has only Army and Air Force components. The total strength of these component forces is more than 234,000 personnel and represents most of the major Army and Air Force general purpose forces based in the United States. Army component forces are assigned to the Army's Forces Command at Fort McPherson, Atlanta, Georgia while Air Force component forces are assigned to the Tactical Air Command, Langley Air Force Base, Virginia.

MISSIONS

The threefold mission of the U.S. Readiness Command is: to provide a general reserve of combat-ready forces to reinforce other unified and specified commands worldwide; to accomplish contingency planning and provide a Joint Task Force Headquarters and forces for contingency operations world-wide; and to provide contingency planning, a Joint Task Force Headquarters and forces for the land defense of North America and military support of civil defense.

The Joint Chiefs of Staff tasked the Joint Deployment Agency with developing and managing a centralized deployment planning and coordination system. The JDA's mission is to plan, coordinate, and monitor movement of U.S. armed forces, both active and reserve, within the U.S. and to overseas areas as reinforcements for the U.S. unified and specified comands. The JDA acts as the focal point for deployment-associated decisionmakng information.

In accomplishment of these responsibilities, the major functions assigned to USREDCOM/JDA fall into five major mission areas: force readiness monitoring, joint planning, joint operations. joint training and joint communications support. A sixth mission area, joint special operations support, is being redefined with the establishment of the Joint Special Operations Agency within the Joint Chiefs of Staff and the disestablishment of the USREDCOM Joint Special Operations Support Element by the end of fiscal year 1984. USREDCOM/JDA are pursuing numerous initiatives in support of these mission areas.

PRESENT AND FUTURE ACTIVITIES

Force readiness.—The Services are responsible for organizing, training. equipping and maintaining combat-ready forces capable of rapid deployment and employment; however, with the majority of CONUS Army and Air Force general purpose forces assigned to this command, it is our responsibility to ensure their capability to perform their assigned mission to augment or reinforce the other unified commands. Analysis of unit readiness reports by the components not only defines trends, but identifies problem areas. This action allows us to support programs in the DOD Planning, Programing and Budgeting System that affect readiness.

During the past year, the combat readiness posture among USREDCOM assigned forces remained virtually unchanged. Army forces report equipment and personnel shortages as the primary degrading factors and Air Force units continue to report deficits in war readiness spares kits as the major problem affecting Air Force units. A shortage of mobile tactical communications assets continues to be a degrading factor as well.

Joint planning.—Joint planning encompasses not only deliberate and contingency planning, but the systems to support this process. USREDCOM/JDA is responsible for 4 primary plans and 40 supporting plans as well as the development of the Joint Deployment System and providing principal support in the transition from the Joint Operations Planning System (JOPS) to the Joint Operation Planning and Execution System (JOPES).

The Land Defense of CONUS planning is becoming a major planning effort to refine a simple and workable concept plan. Basically, the plan calls for a security guard concept with resources dispersed to protect important facilities across the continental United States. The plan also provides for a rapid response capability to confront any landed enemy threat. It is envisioned that USCINCRED will exercise operational command over all security guard operations and provide necessary military support to federal, state, and local authorities.

The combined Canada-United States land defense plan is our only binational plan. This plan is prepared in coordination with our northern counterpart, Canada's Forces Mobile Command, and provides for the coordinated Land Defense of the North American land area.

Readiness Command authored the national plan for military support of civil defense. Our plan formalizes the operational procedures and establishes the military chain of command for operations in the continental United States. The plan was exercised during exercise Ivy League 82, and will be exercised again this year.

In all likelihood, plans developed during peacetime to cope with anticipated emergencies will not be executed exactly as written. Crisis situations may well develop in such a way that adjustment of existing plans, or formulation of new plans, become necessary to deal with a particular contingency. In this case, Readiness Command forms a Crisis Action Team to assist the Joint Chiefs of Staff and the other unified commands in the analysis of courses of action and development of an executable plan.

Over the past year, a major goal has been to develop systems to improve our joint war fighting capability by enhancing the current military crisis action and deliberate planning processes using modern technology. This enhancement will not only compress the time associated with the current crisis action process but will permit detailed refinement of a plan using the deliberate planning process.

Our initial effort in the development of computer-assisted simulation is the development of the Joint Theater Level Simulation (JTLS). This computer model will simulate the air, land and sea battles at the theater level to include intelligence and logistics effects on combat capabilities. The model is scheduled to be installed at Readiness Command, the Army War College, and the Army Concepts Analysis Agency later this year.

Ultimately, the Readiness Command program should allow any commander to take a broad mission statement, general force list and a given scenario and apply simulation and analysis to assist in defining implied and specified tasks, to develop alternate deployment and employment courses of action and to determine if the courses of action are sustainable. The object is to maximize decisionmaking time and minimize analytic time in support of the decisionmaker.

The Joint Chiefs of Staff have tasked the JDA to provide joint planning support in three areas. In peacetime, the JDA supports unified and specified commanders as they develop military operation plans using the Joint Operation Planning System, our peacetime contingency planning system. JDA coordinates military community efforts to assure that limited U.S. resources are planned for deployment in the most efficient manner possible in accordance with the unified or specified commander's requirements. The JDA's coordination effort and planning community participation ensure that conceptual operation plans reflect realistic capabilities of supporting commanders to provide forces, sustainment, and transportation. To support crisis planning and execution, JDA is developing an automatic data processing system to coordinate and monitor actual deployments of U.S. forces and materiel in instances where contingency plans may or may not already exist. This system, the Joint Deployment System, utilizes standard Worldwide Military Command and Control System (WWMCCS) hardware, has an initial capability now, and will be operational in fiscal year 1985. Last, JDA is providing principal support to the Joint Chiefs of Staff in designing and developing the new Joint Operation Planning and Execution System, a system which will incorporate the best features of today's peacetime planning system, JOPS, and the crisis planning and execution system, JDS. This new system is being developed to utilize fully the enhanced capabilities of WWMCCS improvements in providing timely and accurate war planning information to decisionmakers.

An important responsibility under the Joint Planning umbrella is the development of Joint Tactics, Techniques and Procedures. The rapid pace of modern warfare and the requirement to conduct joint operations with little or no notice make it imperative that joint doctrine be developed, refined and updated during peacetime. Readiness Command, the Air Force's Tactical Air Command and the Army's Training and Doctrine Command have joined in a memorandum of agreement to develop joint operational concepts and procedural manuals that have a direct impact on the employment of two or more Services in the conduct of military operations. These joint documents provide broad guidelines that can be adapted for application in all theaters and by all Services. Several documents, including the Joint Command, Control and Communications Countermeasures Manual; the Joint Suppression of Enemy Air Defenses Concept and its companion Operations Pamphlet; the Operational Concept for Joint Attack of the Second Echelon; and the Joint Tactical Air Operation Handbook have already been published and distributed to the field providing guidance necessary for more effective employment of joint forces. Thirteen other documents in these general areas are in the publication or developmental stages; eight by the Readiness Command, and five by the other two commands. Evaluation during major exercises will continue to focus on joint effectiveness.

As a result of this command's initiative, the Joint Chiefs of Staff approved a Pilot Program for the Development of Joint Doctrine. Unified commands have been assigned the lead or assisting roles on JCS specified joint doctrinal areas, and the Services were tasked to coordinate with responsible commands and other organizations as appropriate. The Readiness Command has been tasked to assist on all projects.

USCINCRED has also been assigned the responsibility to provide an interface between the Joint Chiefs of Staff and Unified Commands and the Office of the Secretary of Defense joint program office for interdiction weapons systems. This role was intended to assure that full definition of joint tactics, techniques, and procedures will be available for effective training as the systems are fielded. Under the JCS Terms of Reference issued to Readiness Command, concepts will be developed for the Joint Surveillance and Target Attack Radar System, the Joint Tactical Missile System, and the Joint Tactical Fusion Program. Later, certain elements of the multifaceted Joint Suppression of Enemy Air Defenses program may be included under the Terms of Reference as will future programs established with joint responsibility.

USCINCRED serves as the only unified command member of the Interdiction Executive Board, an oversight management group formed by the Under Secretary of Defense for Research and Engineering. The board's responsibility is to insure interoperability and coordinated development of all elements of the joint interdiction system. USCINCRED, therefore, provides the joint user representation for the board.

In coordination with the Federal Emergency Management Agency (FEMA), USREDCOM has completed regional civil-military coordination conferences involving all the FEMA regions and all of the related military commands. This has been a step forward in clarifying the organization systems and procedures so essential for rapidly responding to civil requests for assistance in the peacetime and wartime emergencies which exceed the capabilities of the civilian sector.

Joint training.—One of the principal supporting areas in Readiness Command's mission is joint training. This mission area includes those training activities, events, and programs that are designed to improve individual and collective skills and achieve standardization of joint operational procedures to ensure forces interoperability and systems compatibility. The primary program of joint training within the command is the Joint Readiness Exercise Program. This program serves as the principal vehicle for pre-operational training of joint forces by bringing together units from all Services as major participants in command post and/or field training exercises. Each exercise encompasses specific joint objectives designed to enhance proficiency of forces, evaluation of selected joint tactics, techniques and procedures, and testing of selected warfare supporting systems.

Agreements with the other unified commands allow us to use exercises which they sponsor to evaluate joint objectives of mutual interest and joint tactics, techniques and procedures, in the arenas for which they are designed. This allows a view of the impact of new airland battle concepts and procedures and opportunities to structure future development and ensure that Army and Air Forces are employed to maximum effectiveness. Additionally, we can evaluate our deployment procedures and our capability to support the forces in an overseas theater.

The Joint Exercise Control System (JECS) is being developed to improve the planning, control and execution of joint exercises. The JECS consists of the permanent facilities, equipment, communications, procedures and personnel required to plan, organize and execute joint and combined exercises. A key element of JECS is the Joint Exercise Support System (JESS) which is the equipment and its software to provide automated means to control command post exercises. In response to the acknowledged need of the joint community for a means to train higher level (corps-wing) commanders and staffs, USREDCOM began in the late 1970s to develop computer based systems to automate the control of command and staff training exercises. This evolutionary process is developing a system to reduce significantly the manpower required to support command and staff training while at the same time provide more realistic and meaningful joint training for all participants.

Based on a JCS tasking, USREDCOM conducts Service-wide joint training and coordination on new or proposed systems and procedures. Recent taskings in this regard include development and conduct of training for joint task force personnel in messages and procedures for the Joint Interoperable Tactical Command and Control System (JINTACCS). This system should prove to be a major step in eliminating command and control difficulties in joint operations. The command is also planning, coordinating and managing the Joint Tactical Air Operations training program. Keystone of this program, which develops an effective way for various Services to conduct joint air operations, is the development and acquisition of the Joint Operational Interface Simulation Training System (JOISTS)—an electronic simulation system that provides realistic joint air operations training to all the Services. It is imperative that our command and control forces arrive in a contingency area ready to operate in a joint environment. This is not a problem with an easy solution but the requirement becomes more immediate as time passes.

Joint operations.—USREDCOM is evolving the organization and procedures for a JTF Headquarters competent to plan for employment, and then to command and control joint forces in a complex operation. We are presently refining an organizational JTF cadre concept and support requirements for this Headquarters.

In support of our mission to provide for land defense of the continental United States and military support of civil defense we have taken a two-pronged approach to meet our requirements. First, our long-term requirements for mobile, survivable command and control facilities have been identified to the Joint Chiefs of Staff. Our short-term objective is an interim command and control capability to support our continuity of operations. Our first use of this interim system is planned during an exercise to be conducted in the Spring of this year. During this exercise, in which USREDCOM will exercise its responsibilities to civil defense and land defense of the continental United States, we will test the system in a network that includes our component forces and the Transportation Operating Agencies (Military Sealift Command, Military Airlift Command, and the Military Traffic Management Command).

In USREDCOM's role as a supporting command, a Crisis Action Team (CAT) is formed to accomplish the details associated with the deployment of assigned general purpose forces to reinforce the other unified commanders. The CAT directs personnel and equipment deployments, determines deficiencies, and, in coordination with the JDA, develops route structures and monitors the flow of materiel to insure in-place forces can be sustained. The CAT is also activated for the conduct of disaster relief operations and the evacuation of non-combatants from endangered areas in response to our mission to conduct worldwide operations of this nature.

JDA, as agent of the JCS, coordinates actual deployments of forces and sustainment with supported and supporting commanders, JCS, Transportation Agencies, and other defense agencies. A Deployment Action Team (DAT) provides this coordination function and, within JCS and supported commander guidance, is authorized to direct some changes to a deployment flow to speed forces and sustainment to the theater(s) of operation. JDA maintains the central deployment data base, the Joint Deployment System, and provides deployment analysis to JCS and other interested commands and agencies; this analysis includes progress reports, status, problems, force closures, port work loads, daily movement statistics, and resolution of transportation shortages.

FORCE PROJECTION

As Commander, United States Readiness Command/Director, Joint Deployment Agency, I am involved and concerned about the U.S. strategic mobility force's capability of power projection in support of our national strategy.

The ability to move combat forces to the right place, and their support in the right amounts and at the right time is a problem we have to deal with on a day-to-day basis. Recent operational experiences reinforce the difficult requirements facing our nation. This issue is further compounded by the potential requirement to move large numbers of assets to Europe in a very short time.

As USCINCRED, I support Army, Navy and Air Force efforts to build a coherent program to provide total mobility. We have made major improvements in airlift with the purchase of the C-5B, the KC-10 and the CRAF enhancement to increase our current capability, however, a significant deficiency will still exist at the end of the current program. We need to get on with the effort to resolve and address:

(1) The remaining deficiency in strategic airlift.

(2) Our outsized austere intra-theater airfield requirement and the ability to deliver people, equipment and supplies rapidly to the forward area.

(3) Replacement for our aging C-130 and C-141 fleet.

I believe the Navy's effort to improve sealift is essential to a credible deployment potential. I strongly support the Navy's ongoing efforts to increase their fast sealift capability (the SL-7s) and to improve the overall readiness of the force through increases in the Ready Reserve Force and Maritime Pre-positioned Ships. This will give us the greatest surge capability to put ships on-port in the earliest manner, and enable us to meet our overall deployment objectives.

I am concerned with our heavy dependence on established port operations. The necessity exists in austere areas of the world, including Southwest Asia, for the United States to be able to operate and insert forces across the beach. Our readiness exercises have clearly shown the requirements for ships capable of delivering Army forces lighterage and helicopters during the initial stages of insertion. Therefore, I support Army, Navy and Marine Corps efforts to increase lift capability. Concurrently, I support their efforts to field lighterage, causeways, offshore POL terminals and other logistics over-the-shore equipment needs, allowing us to operate in areas with limited or no port facilities.

The continuing decline of the U.S. flag merchant industry is a matter that should be of concern to us all. The recent DOD Sealift Study shows that the U.S. Merchant Marine industry has reached a state where further decline will make it inadequate to meet our defense needs in a future war. As a maritime nation, this must not happen. As the industry continues to decline, we in Defense have no alternative but to purchase the best of the retired ships and place them in the RRF. From a military standpoint this is good because it reduces our risk and assures us of the capability to place shipping on the ports at the earliest time frame. However, from a total economic standpoint, it means that the rest of the U.S. economy will be totally dependent on foreign flag shipping. This trend to foreign flag ships must be reversed.

Strategic lift programs are not glamorous, nor are they firepower providers; however, they can result in war-stoppers if inadequate to the task. Lift provides the means for operating with our friends and sustaining ourselves once engaged in combat. We must ensure an adequate lift potential if we are to be perceived as having the capability to deter a major war or threat to our lines of communication, sources of raw materials, or allies and trading partners.

Joint communications.—The Joint Communications Support Element (JCSE) at MacDill AFB is assigned to USREDCOM for administration, logistics, training and day-to-day operations, but is under deployment control of the Joint Chiefs of Staff. The JCSE is a one-of-a-kind unit which provides communications to meet the needs of the Joint Chiefs of Staff, unified and specified commanders, and JTF commanders anywhere in the world.

Summary.—In conclusion, USREDCOM/JDA continues to be a productive command. Work progresses toward fulfilling our joint mission areas and functions, but much remains to be done. Expansion of the Soviets' warfighting capability and their willingness to export that capability through surrogates, even to the borders of our very homeland, is well documented and needs no further elaboration. Given these facts, and our strategy of forward-deploying only a portion of the forces needed to support our commitments and to protect our vital interests world-wide, with the bulk of our general purpose reserve held here in the United States, it is essential that there be a command capable of planning, coordinating and executing the rapid, prioritized deployment of our forces throughout the world to meet contingency needs. This mission, coupled with the requirements for a single headquarters to ensure the security of the CONUS and the need for a focal point for the development of joint tactics, techniques and procedures to insure the interoperability of our forces in joint operations, make it evident that if we did not have a U.S. Readiness Command to fill these needs, we would have to invent one. I thank you for your attention and am now ready for your questions.

Chairman TOWER. Thank you, General.

General Kingston, before we proceed, there is a vote on the Senate floor. We will suspend for 15 to 20 minutes and will then resume when we return.

[Recess.]

Chairman TOWER. The committee will come to order.

General Kingston.

STATEMENT OF LT. GEN. ROBERT C. KINGSTON, U.S. ARMY, COMMANDER-IN-CHIEF, U.S. CENTRAL COMMAND

General KINGSTON. Mr. Chairman, I appreciate this opportunity to meet with you to discuss the status of the U.S. Central Command.

I have submitted a prepared statement which I would like to summarize at this time.

During the past year USCENTCOM has assumed military responsibility for virtually all the activity in the 19 nations starting on the east with Afghanistan and Pakistan, moving to the west of Afghanistan, Iran, Iraq, Jordan, all the nations on the Saudi Arabian Peninsula, Egypt, Sudan, Somalia, Ethiopia, Djibouti, and Kenya.

This assigned area is larger than the continental United States. Within the area are vast differences in national wealth, innumerable historic and religious disputes and vast cultural and linguistic variances.

It also represents the crossroads for the United States and Western commerce and is the largest single source of oil for Western industrial economies.

For example, about 60 percent of the world's free world oil reserves are located in the Persian Gulf area. Today this region is buffeted by destructive intraregional conflicts and extra regional threats.

The destablizing specter of the Iran-Iraq war threatens the Persian Gulf states. Concerns about the potential spillover of this conflict into other Gulf states diverts the energy and resources of countries still in crucial phases of internal and regional development.

The Libyan operation against the region mounted through Chad is of concern to Egypt and the Sudan. The dissident movements in Sudan, Somalia, and Ethiopia are further examples of hostilities that could further destabilize the area.

As you know, Mr. Chairman, in December 1979 the Soviets invaded Afghanistan to sustain a Communist regime. The Soviets are using Afghanistan to extend their own zone of security and it could be a potential staging area for power projection to the south.

Clearly, the most dangerous potential threat to the area is the Soviet Union. The Soviets have increased both their indirect and direct capabilities to extend their global presence and apply pressure to local regimes.

Indirectly, they use extensive military grants and sales, military advisors, internal security personnel and even combat forces provided by proxies such as Cuba.

Their direct capabilities include their ability to project power into the region with the recent modernization of their ground and air forces in the Transcaucus and Turkistan military districts, just north of my area.

We must also seek to deny the Soviet Union or its surrogates, domination or regional hegemony in Africa.

I would like to review the Central Command's accomplishments during the past year.

In the environment of the region our allies and friends look to the United States as a force for stability and protection of our mutual interests. The principal mission of the U.S. Central Command is deterrence. Deterrence depends on the credible projection of military power.

This may only require a demonstration of our readiness and resolve. We have already been tested in this area and I believe have acquitted ourselves successfully.

The AWACS aircraft sent to Egypt in February of last year to assist the Sudan in countering a Libyan-sponsored coup was in response to a request from a friend in need. The quick U.S. response helped deter the attempted overthrow of a friendly government.

Should diplomacy, security assistance and self-defense efforts fail to deter hostile forces, we must be prepared to deploy forces when requested, and if so directed, by the National Command Authority.

One method of preparing to use U.S. military force is through the development of appropriate plans. Detailed plans are essential for the effective employment of military forces. We have an extensive planning effort which has provided a thorough look at the region and has focused on potential threats.

Our planning has enhanced our ability to respond to likely events and conflicts in the region.

Another way my command prepares for operation is through exercises which allow us to test our plans and train my component forces from all four services.

Our exercises provide the means to evaluate joint exercises, conduct joint operations, operate forces in the environment where they could be called upon to fight, and we also work our command and control procedures.

Since January of last year the U.S. Central Command has sponsored two major exercises, Gallant Knight 83 and Bright Star 83.

Gallan Knight 1983 was the fourth in the Gallant Knight series of exercises and was an employment command post exercise conducted at Fort Bragg, N.C., and the Naval Oceans Systems Center at San Diego and Camp Pendleton, Calif. Participating commands significantly improved their combat readiness for conducting contingency operations.

Bright Star 83 was a joint U.S. multinational field training exercise that took place in August and September in Egypt, Sudan, Somalia, and Oman. A total of 26,500 personnel participated in that exercise.

Combined operations proficiency was improved in all areas, land, sea, air, and special operations for both host nations military and the U.S. military.

Exercises such as the Bright Star series are important because they provide selected USCENTCOM forces the opportunity to train with regional forces in the environment in which they could possibly be called on to fight.

Our exercise programs have provided valuable opportunities for increased access to military and political leadership in the friendly countries within the region.

Your continued support is requested for future funding of the JCS exercise program.

Another means of establishing credibility within the region has been the effort we have made to establish, strengthen and extend interpersonal relationships. My visits to the area, while more extensive than anticipated a year ago, I believe have been productive as we strive for an agreement for access, combined exercises and contingency planning.

I believe that we will find these relationships and the mutual trust and confidence built therein will be invaluable. In assisting countries in the region, I am convinced that the effectiveness of our security assistance and training program is the best hope for achieving our long-term goals.

We have a security assistance program in 14 of the 19 countries in the area. These ongoing programs which are the responsibility of the State Department and are supported by my command should assist in achieving both national and regional security interests against the wide range of threats while supporting a strategy of deterrence.

However, in any response to a request for assistance our programs must be relevant, timely and keyed to the needs of the country as well as to the U.S. security needs.

Other areas of accomplishment which have improved our capability include intelligence, military construction, pre-positioning, and establishment of a forward headquarters element.

I would like to briefly discuss each one of those.

In 1980 we began our efforts to develop an intelligence capability for the command and its component forces. As a result of these efforts, basic intelligence, ADP, and communications capabilities are in place at my headquarters at MacDill and at my component headquarters.

These initial systems which will ultimately provide support during all phases of contingency operations from in-garrison through employment in combat have been tested in our field exercises and I think the results have been good.

Additional progress toward resolving our intelligence shortfall will provide increased capability in human, imagery, and signal intelligence.

Continued congressional support of funding is essential to ensure that I have the capability to employ my forces based on sound, accurate and timely intelligence.

Other initiatives that have been taken in the area include construction of storage and operational facilities in Kenya, Somalia, and Oman. These have been funded by the Air Force and Navy Milcon programs.

Elements of the U.S. Central Command are periodically using these facilities, thereby increasing our capability in the region while enabling us to achieve some of our near-term operational and logistical goals.

I want to emphasize that we are not creating new U.S. bases in the area. Rather, we are improving existing host nation facilities that we will be able to use to support U.S. forces.

Pre-positioning support items has improved, particularly for water supply support equipment, munitions and POL storage. For every 10,000 short tons of equipment and material that we pre-position forward on ships or ashore, 500 C–141 sorties are available to move additional combat support forces and equipment.

For example, the dry cargo alone aboard the NTPF ships at Diego Garcia equates to 125,000 short tons, and represents 6,400 C–141 sorties.

Like other U.S. Unified Commands, I require a presence in my area of responsibility as a practical necessity for the administration and coordination of activities for which I am responsible.

A step was taken toward achieving that goal in December 1983, when I established a small forward headquarters element afloat with the U.S. Middle East Force in the Persian Gulf.

The main function of the FHE is to provide a liaison with host governments, American embassies, and U.S. military elements in the region.

I believe we need a USCENTCOM forward presence ashore to fully integrate U.S. military programs with diplomatic and economic programs in the region.

Mr. Chairman, there are several additional areas where the U.S. Central Command needs help. These areas are air and sealift; command, control, communications, and computers; security assistance; special operations forces and chemical warfare readiness.

When considering lift, the problems are twofold:

How to get what is needed to the theater.

And once there, how to transport it to the user.

The lack of airlift, sealift, railroads, ports, and highway facilities in the region makes the mobility equation difficult to solve.

For example, my entire area has just two-thirds of the paved road mileage found in the State of Florida. But, efforts are underway that should enhance our ability to deploy.

For example, like the other CINCs, I support the ongoing KC–10 program and emphasize the need for C–17 type aircraft that will close the gap for the outsize bulk cargo lift shortfall.

Sealift enhancement, enhancement I support, includes the maritime pre-positioning program, the civilian crewed auxiliary cargo program, and the auxiliary crane ship program.

Communications is another key element in any military organization. I have a need to establish and maintain strategic communication with the National Command Authority and establish necessary communications to component headquarters and tactical units.

At present the lack of adequate communication infrastructure in the region forces us to carry our required communications and to erect, establish, maintain, and operate critical strategic and tactical communication links, perhaps at the same time we may be conducting combat operations.

Regarding security assistance, I strongly support a multiyear funding program. Multiyear funding would allow proper host nation planning and force structure development.

The type of security assistance funding provided to the nations in my area of responsibility is also critical. The nations in my area, some of them, have major economic problems and they are appreciative of congressional action to provide security assistance.

I believe you have visited several of those countries in your recent trips, Pakistan and Jordan, and there are other countries that are in similar economic straits.

USCENTCOM has identified on several occasions the requirement for additional special operations forces as well as their enhanced support requirement.

We would request your continued support to revitalize our special operations capability.

The Soviet and surrogate forces are already using chemical agents in Afghanistan and Southeast Asia. Their experiments with means of delivering multiple agents and development of a tactical chemical warfare doctrine continue.

USCENTCOM has also placed maximum emphasis on improving chemical warfare readiness. While the United States has made progress, our chemical weapon stockpile leaves much to be desired. It needs modernization quickly through the addition of binary chemical munitions.

Although I abhor the thought of employing chemical weapons, I cannot discount the potential Soviet capability and their demonstrated willingness to use such weapons. This situation, if allowed to persist, could cause unnecessary casualties to U.S. troops.

Despite the shortfalls I have mentioned, I believe the U.S. Central Command has made considerable strides forward in the last 15 months, representing a major evolution in the U.S. military relationship with the nations in the region.

In closing, I want to reaffirm that the decision to establish USCENTCOM was a very practical and important milestone in pursuing regional peace and stability while protecting U.S. national and regional interests.

I also want to reiterate that the previous support of this Committee is greatly appreciated.

As we begin our second year as a Unified Command, I am pleased with our past successes. I am still mindful of future challenges. Together I think we can insure USCENTCOM will continue to fulfill a vital national mission.

Thank you.

[The prepared statement of General Kingston follows:]

PREPARED STATEMENT OF LT. GEN. ROBERT C. KINGSTON, U.S. ARMY, COMMANDER IN CHIEF, U.S. CENTRAL COMMAND

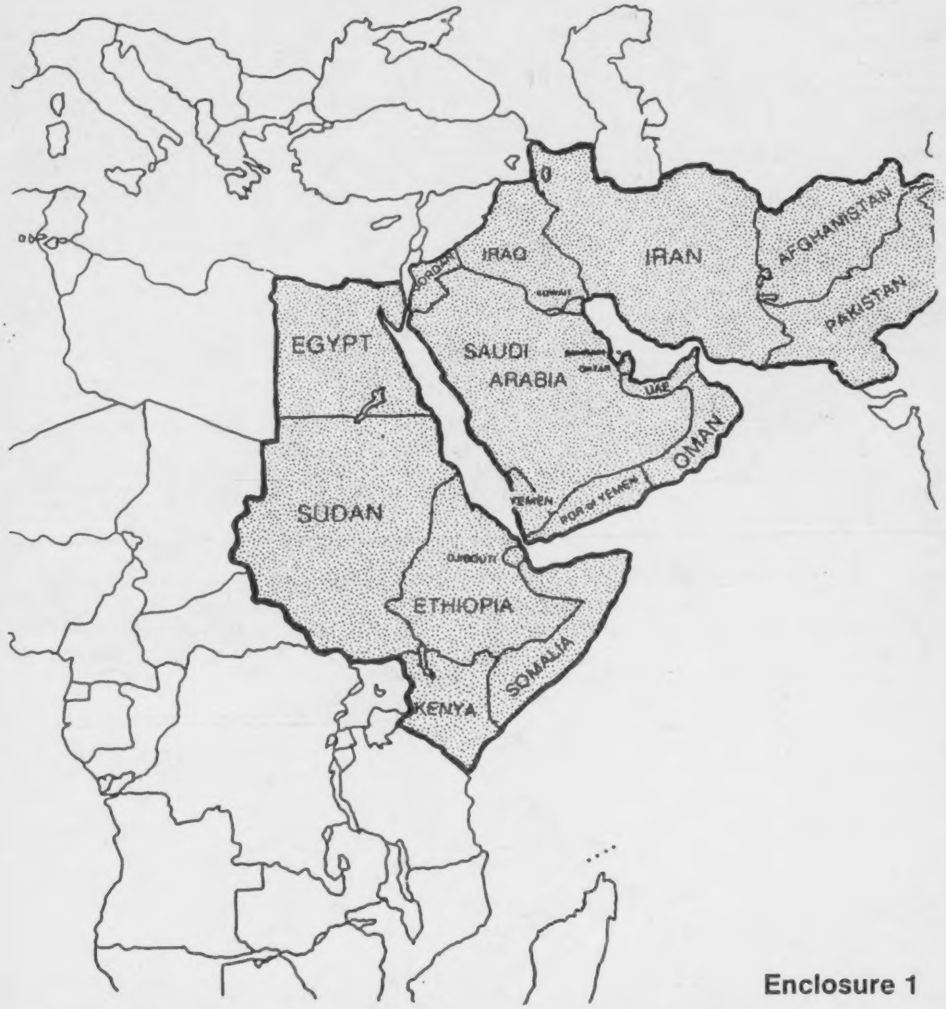
INTRODUCTION

Mr. Chairman and members of this committee; in March 1983, 3 months after we became a unified command, I had the privilege of testifying before Senator Cohen and your Sea Power and Force Projection Subcommittee on the subject of "United States Central Command." As my command enters its 15th month, I appreciate this opportunity to address the entire Senate Armed Services Committee on the current "Status of USCENTCOM." I am mindful of the Senate Armed Services Committee's efforts in getting my new command off to a good start and, for that, I take this opportunity to offer my personal and official gratitude.

Before I tell you what we have accomplished, and where we are headed, let me quickly review the rationale for our establishment and our mission. The U.S. Central Command evolved over a period of about 3 years from the Rapid Deployment Joint Task Force, a command that was created in March 1980 as a temporary solution to a long-term problem. Former President Carter, President Reagan, and Secretary Weinberger saw clearly that the U.S. long-term needs in the vital central area required something more permanent than a temporary joint task force. It needed a permanent command, a command with military responsibility for the area, as well as a security assistance role.

The establishment of the U.S. Central Command provides a single U.S. command with the responsibility for all US military activity in the region. This responsibility includes military planning, joint exercises involving U.S. and regional forces, operational command of U.S. forces in the theater, and administration of security assistance. The objective of these activities is to assist regional states in strengthening their stability and maintaining their territorial integrity by improving indigenous defense capabilities.

USCENTCOM AREA OF RESPONSIBILITY


IRAQ
JORDAN
IRAN
AFGHANISTAN
PAKISTAN
EGYPT
SAUDI ARABIA
QATAR
UAE
OMAN
YEMEN
PDR of YEMEN
SUDAN
DJIBOUTI
ETHIOPIA
SOMALIA
KENYA

Enclosure 1

USCENTCOM has assumed responsibility for virtually all US military activity in the 19 nations that comprise my area of responsibility (see enclosure 1). This assigned area is larger than the continental United States. Within this area there are vast differences in national wealth, innumerable historical disputes, and cultural, religious and linguistic variances.

This region of the world is the historic land-bridge for trade between Europe and the East, represents the crossroads for U.S. and Western commerce, and is the largest single source of oil for the Western industrial economies. For example, estimates of proven crude reserves indicate the Persian Gulf region contains more than 54 percent of the world's proven crude reserves. This reserve is more than 60 percent of the noncommunist world's total proven reserves.

INTERNAL CONFLICTS

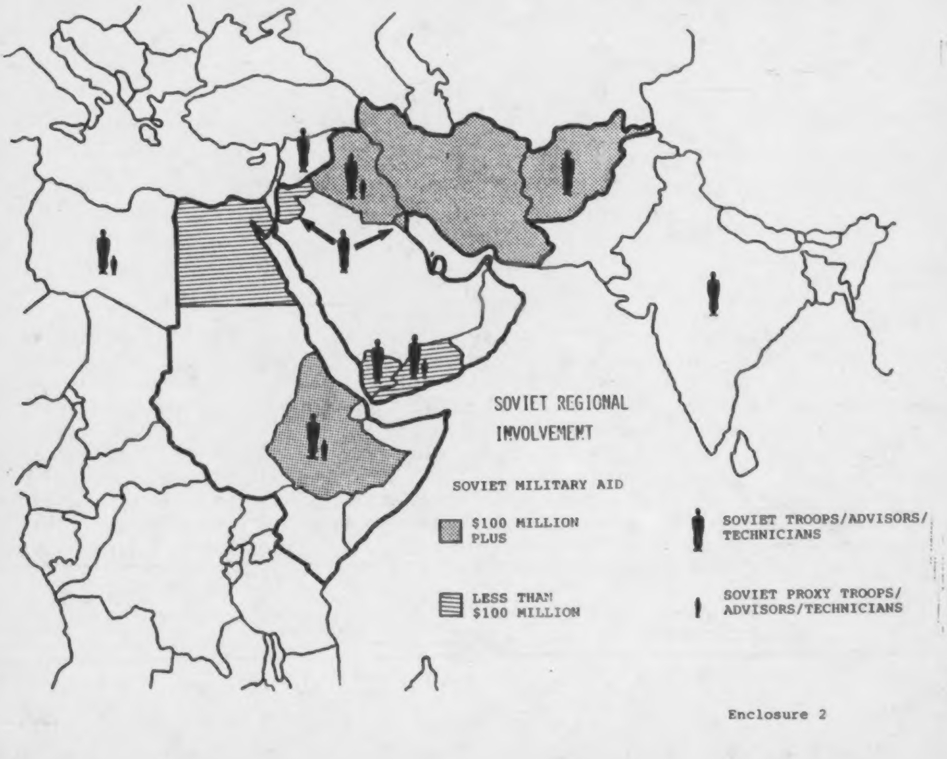
Today, the region is buffeted on all sides by extra regional conflicts and by internal regional strife that threatens to spill over in the region. An example is the Iran-Iraq War, which has siphoned funds badly needed for national development projects within some regional states, or that would be available for loan to other countries. Arab nation sympathies are divided and the rifts between the moderate and radical states have deepened. The war has coalesced the regional nations' mutual security concerns, particularly as pertains to freedom of navigation in the Persian Gulf and security of oil production facilities. An aggressive Iran turns the heads of other regional states from overt Soviet activities. Internal conflicts impact on Egypt and Sudan, who are concerned with events in Chad manifested by their fear that Libyan operations against the region could be mounted through Chad. Further, Sudan, Somalia, and Ethiopia have problems which are of concern to the countries of the region. These countries have significant dissident movements that are, in varying degrees, externally supported. These movements threaten to spill over and involve other countries of the area.

SOVIET THREAT

In a more direct role, in December 1979, the Soviets invaded Afghanistan to sustain a Communist regime. The Soviets control the major cities and are working to win through the attrition of the Afghan freedom fighters, the Mujahideen, and by indoctrinating a new generation of Afghans to accept life under communism. The Soviets are using Afghanistan to extend their own zone of security, and as a potential staging area for power projection to the south. Operating from southern Russia and Afghanistan, Soviet forces could conduct a ground assault on Iran; to either seize the oilfields or secure their longstanding goal of a warm water port.

ACCOMPLISHMENTS

Clearly, the most dangerous potential threat to the area is the Soviet Union. The Soviets have increased both their indirect and direct capabilities to extend their global presence and apply pressure to local regimes. Indirectly, they use extensive military grants and sales, military advisors, internal security personnel and even combat forces provided by proxies such as Cuba (see enclosure 2).


SOVIET REGIONAL INVOLVEMENT
SOVIET MILITARY AID
▩ $100 MILLION PLUS
▤ LESS THAN $100 MILLION
SOVIET TROOPS/ADVISORS/TECHNICIANS
SOVIET PROXY TROOPS/ADVISORS/TECHNICIANS

Enclosure 2

Their direct capabilities include their ability to project power into the region with the recent modernization of their ground and air forces in the Transcaucus and Turkistan military districts, just north of my area. We must also seek to deny the Soviet Union or its surrogates, domination or hegemony in Africa.

In this volatile environment, our allies and friends look to the United States as a force for stability and for protection of our mutual interests. The principal mission of USCENTCOM is deterrence. We do so by having manpower and material resources from all four Services in a high state of readiness and the national resolve to use them if required. As an example of our assistance to countries in the area, USCENTCOM was involved in a real-world contingency requiring a quick response to a potentially serious threat. AWACS aircraft were sent to Egypt in February 1983 to protect Sudan from a Libyan supported coup. The U.S. response helped deter the attempted overthrow of a friendly government.

Should diplomacy, security assistance, and self-defense efforts all be insufficient to deter hostile forces, USCENTCOM must be prepared to deploy forces when requested and if so directed by the National Command Authorities. The development of plans is essential in preparing to use military force. We have an extensive planning effort which has provided a thorough look at the region and has focused on anticipating possible threats. This broader range of planning has enhanced our ability to respond to likely events and conflicts in the region.

Another way my Command prepares for operations is through exercises which allows us to train and employ forces from all four Services. Our exercises provide the means to: evaluate joint concepts; practice joint operations, operate forces in the environment where they could be called upon to fight; and also work on our command and control procedures. Since 1 January 1983, USCENTCOM has sponsored two major exercises: Gallant Knight 83 and Bright Star 83.

Gallant Knight 83 was the fourth exercise in the Gallant Knight series and was an employment Command Post Exercise (CPX) conducted at Fort Bragg, N.C.; the Naval Ocean Systems Center (NOSC) in San Diego, Calif.; and at Camp Pendleton, Calif. USCENTCOM focused on specific objectives in the general areas of simulated joint operations, sustainment, special operations and communications. Gallant Knight 83 was successful in accomplishing the main purpose of exercising HQ USCENTCOM, its components and supporting commands in the procedural and coordination aspects of employment operations. Exercise objectives tested, resulted in a great deal of meaningful data for additional insight into command and control and procedural improvements.

Bright Star 83 exercise saw forces deployed to Egypt, Sudan, Somalia, and Oman under the command and control of HQ USCENTCOM. U.S. Army Forces Central Command (USARCENT). U.S. Central Command Air Forces (USCENTAF), U.S. Joint Unconventional Warfare Task Forces Central Command (USJUWTFCENT) and supporting naval forces participated and conducted training and exercises. USCENTAF deployed fighter and AWACS elements. USARCENT deployed mechanized units, an airborne unit and an air defense artillery team. Supporting naval forces conducted amphibious operations and contributed carrier-based air for joint/combined operations. USJUWTFCENT conducted exercises and training in several countries. This was a successful field training exercise for all concerned. A total of 26,500 U.S. personnel participated, (18,000 Navy, 2,200 Marines, and 5,800 USCENTCOM, Army and Air Force component forces). Combined operations proficiency was improved in all areas—land, sea, air, and special forces—for both host nation and U.S. forces.

Exercises conducted in my area of responsibilities (AOR), such as the Bright Star series, are vitally important as they afford selected forces the only opportunity to actually operate and train in the type environment in which they could be called upon to fight. They also contribute significantly to improving the strategic posture of the United States in our AOR. These exercises, for example, are especially useful for:

Establishing U.S. credibility with both friends and potential adversaries;

Providing interface between the United States and host nation military personnel;

Conducting combined operations with host nation military personnel;

Exercising the rapid deployment of component forces;

Testing critical communications equipment and procedures in the AOR;

Familiarizing selected personnel and units with environmental and operational characteristics of the AOR.

As the only unified command having limited deployment forces or equipment with which to exercise, and whose AOR is most remote from the Continental United States, USCENTCOM-scheduled exercises in the AOR are, by necessity, expensive. In return, our exercise program has provided valuable inroads to the military and political leadership of friendly countries within the AOR. Your continued support is requested for adequately funding the JCS exercise program.

Another means of establishing credibility with the region has been the effort we have made to establish, strengthen and extend interpersonal relationships throughout the AOR. My visits to the area were more extensive and productive than anticipated one year ago. I made several visits to Oman, Egypt, Sudan, Somalia, Kenya, and Bahrain. Trips were also made to London, Rome, and Brussels to brief our allies in the North Atlantic Council; followed by a visit to Yemen Arab Republic as a member of the U.S. delegation to YAR National Day ceremonies. In May, I spent 5 days in Jordan, had an audience with King Hussein, and spent another 5 days in Saudi Arabia in December. The hospitality was exceedingly warm; I was given tours of most major military installations and met with senior government and military officials. I believe the personal relationships we have established have helped the command and, therefore, the U.S. Government gained the confidence of our friends in the region. Access, combined exercises, joint planning, and all that we desire as a matter of course in our relationship with the countries of the region, are dependent on the atmosphere of trust and confidence that is facilitated by personal relationships. I intend to continue to seek every opportunity for personal visits into the region; to send my senior staffers out at the appropriate occasions; and to encourage exchange visits to my headquarters at MacDill by regional political and military leaders.

SECURITY ASSISTANCE

The command recognized long ago that our first means of deterrence is to have friends in the area that are able to defend themselves. The effectiveness of our total security assistance and training programs is therefore the best hope for achieving our long-term goals. We have security assistance programs in 14 of my 19 countries. These programs reflect a combination of host nation requirements and capabilities. These ongoing programs, which are the responsibility of the State Department and supported by my command, will assist in achieving both national and regional security interests against a range of threats while supporting a strategy of deterrence.

Effectiveness must be measured psychologically as well as materially. Our programs must address the reality that the concerns of the 19 nations of our region are as diverse as the topographical and cultural differences we handily recognize. Deterrence depends on credible military power; the right weapon systems in trained hands; in place and functioning command and control mechanisms; and realistic strategies that cover the spectrum of peace, crisis, and war. The perspectives of our friends in the region must be considered as we design, approve, and implement our security assistance programs. For example, the current threat against the Persian Gulf area is not singular, but plural in the eyes of the Gulf Cooperation Council states. They are concerned with far more than possible Soviet encroachment. To be effective, our security assistance must be relevant, timely, and keyed to needs of the countries within our AOR as well as U.S. national security policy.

Other areas of accomplishment, which have improved my capabilities, include intelligence, military construction, pre-positioning, and establishment of the Forward Headquarters Element (FHE).

INTELLIGENCE

In 1980, we began our efforts to develop an intelligence capability for the command and its component forces. Recognizing the impact of a lack of presence in our area of responsibility on our ability to acquire and disseminate intelligence, we identified requirements to the Department of Defense for intelligence-related automated support, communications and other functional intelligence support. As a result of our earlier efforts, initial intelligence automatic data processing and communications capabilities were in place at my headquarters in Florida by 1983. These initial systems, which will ultimately provide support during all phases of command operations from in-garrison through employment phases, have been tested in several field exercises with good results. Although providing initial progress toward resolving our intelligence shortfalls, we require additional essential capabilities in these areas, as well as other intelligence-related functional areas; such as, human, imagery and signals intelligence. In spite of the progress we've made over the past few years, continued congressional support for funding and acquisition of additional manpower and equipment is essential to insure that I will have the capability to employ my forces based on sound, accurate and timely intelligence.

MILITARY CONSTRUCTION

Other initiatives that have been taken include construction of new facilities in Kenya, Somalia, and Oman, funded by the Air Force and Navy MILCON programs. Already, elements of USCENTCOM are periodically using these facilities, increasing our capabilities in the region, enabling us to achieve some of our near-term operational and logistical goals.

It is important to emphasize that we are not creating new U.S. bases in the region. Rather, we are improving existing host nation facilities that we will be able to use to support U.S. forces when needed.

PRE-POSITIONING INITIATIVES

Pre-positioning of support items has moved ahead particularly for water supply support equipment, munitions and POL storage. To alleviate overcrowding and improve security at Diego Garcia, two POL tankers and one breakbulk ship were relocated to WESTPAC ports. The Army's Rapid Deployable Medical Facility was replaced by four 200 bed, Marine Corps hospital companies. Three ports in WESTPAC were surveyed and found suitable for alternate maintenance sites for the Near-Term Pre-positioning Force (NTPF). Additionally, other improvements include placing the first operational 150,000 gallon per day reverse osmosis water purification unit on board a LASH barge unit with the NTPF, as well as other state of the art, but smaller water purification units ready for deployment.

Plans are underway to replace two Army breakbulk ships with a LASH ship this year, which will enhance our access to pre-positioned ammunition for the purposes of inspection, maintenances and issue. It will not only provide better ammunition support, but will do so at reduced costs.

The Air Force's plans for construction of facilities for ammunition storage in the AOR is also on track. With some facilities complete and others on schedule, the capability to store ammunition in the area should provide great improvements to our rapid deployment and sustainment capabilities.

For every 10,000 short tons of equipment and material that we pre-position forward, on ships or ashore, another 500 C–141 sorties are available to move additional forces and equipment. For example, the dry cargo alone aboard the NTPF ships at Diego Garcia equates to 125,000 short tons, and represents 6,400 C–141 sorties.

Like other U.S. unified commands, I require a presence in my area of responsibility as a practical necessity for the administration and coordination of activities for which I am responsible. A step was taken toward achieving that goal in December, 1983, when I established a small Forward Headquarters Element (FHE) afloat with the U.S. Middle East Force in the Persian Gulf. The main function of the FHE is to provide liaison with host governments, American Embassies, and U.S. military elements in the region. I believe we need a USCENT COM forward presence ashore to fully integrate U.S. military programs with diplomatic and economic programs in the region.

Mr. Chairman, there are several additional areas where the U.S. Central Command needs help. These areas are air and sea lift, command, control, communications and computers, security assistance, special operations forces, and chemical warfare readiness.

My area of responsibility is over 7,000 miles from the east coast of the United States—a 14-hour trip in an air-refueled C–5 aircraft. The sea line of communication around the Cape of Good Hope is 12,000 miles; almost half the circumference of the earth. Improved lift will benefit not only my command but the entire nation, for this is a national problem, not just a U.S. Central Command problem.

We have a need for increased strategic lift capability because of the time critical requirement for moving a credible deterrent force once the decision has been made to deploy.

KC-10 PROCUREMENT PROGRAMS

When considering lift, the problems are twofold: how to get what is needed to the theater—and, once there, how to transport it to the user. The lack of airlift, sealift, railroads, ports, and highway facilities in the region makes the mobility equation difficult to solve. For example, my entire area has just two-thirds of the paved road mileage found in the State of Florida. But, efforts are underway that should enhance our ability to deploy. For example, procurement of KC-10 tanker aircraft provides an enhanced inflight refueling system that significantly improves the overall capability of the Strategic Air Command tanker fleet. The KC-10 can refuel Air Force, Navy, and Marine aircraft alike, and the upper deck is available for cargo and passengers.

C-17 TYPE AIRCRAFT

This program, plus the projected procurement of 50 additional C-5 and 44 additional KC-10 aircraft, will bring us closer to achieving the Nation's airlift requirement by 1989. In addition to these programs, a requirement exists for a C-17 type aircraft that will close the gap for the outsized, bulk cargo lift shortfall. Also, the Civil Reserve Air Fleet provides us a contingency capability to call on civilian air carriers to assist in time of crisis.

For sealift, the Civilian Crewed Auxiliary Vehicle Cargo (TAKR), the Maritime Pre-positioning Ship (MPS), the Auxiliary Crane Ship (TACS), and the Auxiliary Lighterage Ship (TALS), are significant enhancement programs. The TAKR program provides for the conversion of eight SL-7 (Sealand) class container ships to roll-on/roll-off and container capable vessels. These fast logistic ships will greatly shorten transit time to the region. The MPS program will preposition the unit equipment of three Marine Amphibious Brigades aboard fast multipurpose ships. The ships will be environmentally controlled and possess on-board vehicle maintenance capability. Of the 13 ships programed, 5 will be new construction and 8 will be converted vessels. The TACS program will convert President Polk class container ships into vessels with large mobile cranes capable of off-loading non-self-sustaining container ships moored along side.

COMMAND, CONTROL, COMMUNICATIONS

Communications is another key element in any military operation. I have a need to establish and maintain communications to the National Command Authorities, to connect with my forward deployed forces, and to command and control my forces in the area. In the event of a contingency deployment, communications will be arriving in the theater during the critical initial period of force buildup. At that time, and during subsequent operations, effective communications systems must support me without failure.

Funding for the procurement of communications equipment has been programed by the Army and Air Force for fiscal year 1985-89 to partially offset our infrastructure deficiencies. In addition to my theater communications infrastructure, there is a need for tactical communications support for my Deployed Field Headquarters.

In the area of security assistance, I strongly support multiyear funding of security assistance programs. Multiyear funding would allow proper host nation planning and force structure development. Given the complexity of modern weapon systems, their acquisition lead time and the required supporting logistics infrastructure, multiyear funding is no longer just a desirable objective. It is a requirement for proper planning and implementation of security assistance programs. Additionally, it would have the highly desirable effect of enhancing host nations' perceptions of U.S. resolve and reliability.

The type of security assistance funding provided to nations in my AOR is also critical. We do nothing to foster U.S. interests in the region if security assistance programs create additional economic pressures on marginal economies. Even highly concessional loans are ill advised in some cases. The nations in my region with major economic problems are highly appreciative of congressional actions to provide grant security assistance. The benefits the United States derives from grant aid extends beyond increased goodwill and regional stability. The likelihood of situations requiring the commitment of U.S. forces is reduced where regional stability is maintained. Additionally, appreciation is expressed in enhanced access supporting the landing, over flight and pre-positioning initiatives so critical to my mission. Should I be called upon to deploy my forces to the region, interoperability with host nation forces, which have U.S. equipment and training, complements my capabilities and effectiveness. I would urge favorable consideration of increased levels of security assistance on a grant basis where local economic conditions mitigate against additional loans.

USCENTCOM has identified, on several occasions, the requirement for additional special operations forces, as well as support requirements, to fulfill USCENTCOM's special operations needs.

Although additional air assets are programed, we solicit your continued support to ensure that these assets are delivered on schedule and additional forces are dedicated.

SPECIAL OPERATION FORCE

Soviet and surrogate forces are already using chemical agents in Afghanistan and Southeast Asia. Their experiments with means of delivering multiple agents and development of a tactical chemical warfare doctrine continues. USCENTCOM has also placed maximum emphasis on improving chemical warfare readiness. While we have made progress, our chemical weapon stockpile leaves much to be desired. It needs modernization quickly through the addition of binary chemical munitions. Although I abhor the thought of employing chemical weapons, I cannot discount the potential Soviet capability and their demonstrated willingness to use such weapons. This situation, if allowed to persist, could cause unnecessary casualties to U.S. troops.

Despite the shortfalls I have mentioned, I believe the U.S. Central Command has made considerable strides forward in the last fifteen months, representing a major evolution in the U.S. military relationship with the nations in the region. We currently serve as a credible deterrent that contributes to resolving problems before they reach the crisis stage.

In closing, I want to state that the support provided by this committee in establishing USCENTCOM was farsighted and timely. Your efforts established a critical milestone in our common pursuit of peace and stability in this critical area, while protecting U.S. national and regional interests. As we begin our second year as a unified command, I am pleased with our past successes and mindful of future challenges.

Chairman TOWER. Thank you, General.

READINESS VERSUS MODERNIZATION

Admiral Crowe and General Nutting, I would like you both to respond to this question. You both touched on it.

We have had quite a bit of discussion about readiness versus modernization as if the two were competitive with each other for the defense dollar. In fact, of course, they can become competitive in the sense that O&M funds are competitive with procurement funds.

I would like your views on whether or not you think the current budget, which has been submitted to us, is balanced from the standpoint of our readiness requirements. Perhaps I should specifically say our O&M requirements and procurement and modernization requirements, and to what extent really is modernization also essential to readiness.

Admiral Crowe.

Admiral CROWE. Mr. Chairman, I am aware that that is a continuing source of controversy when you are developing or drafting a budget.

As an operational commander worried about the capacity to fight today, my priorities in the Pacific have included sustainability, readiness, force levels, and modernization.

That, of course, springs from my point of view and where I sit. Where you stand depends on where you sit.

I am generally pleased with the tradeoffs in the budget. As I said in my statement, that in no sense solves all my problems or gives me everything I need. I think the tradeoff is a wise one and this is a step forward.

My feeling toward sustainability is that we have deficiencies that must be corrected. We have in some ways improved our position in the last few years. This budget is another significant step in that direction.

I am well aware that I cannot expect my sustainability deficiencies to be corrected in 1 year. I would prefer a consistent and rational process that goes over a number of years until we reach our requirements.

We have had more moneys put in every year for the last 3 years in both sustainability and readiness. We have seen marked improvement and, incidentally, we are going to see some more improvements in spare parts and ammunition from the stocks that have already been purchased with previous budgets but are not in our bins as yet.

I think that as a result of the program that the administration has laid out, if it is allowed to be implemented, we will see at least most of our significant deficiencies corrected in the neighborhood of 1987 or 1988.

When I place my priorities in that fashion, I, of course, am not saying that modernization is not important to me. It is absolutely vital. As I said in the summary of my statement, we have seen some new systems come into the Pacific which are very important to us and have increased our capability.

I would think those will continue. If you insist on making a tradeoff, this is very difficult to do, but where you increase your modernization funding in order to fund more sustainability, you have always to be careful as to how you are mortgaging your future.

Modernization primarily speaks to future capability and future shaping of the force. There is a built-in difference in opinion between the people in the field and planners in Washington.

People in the field want to fight today and the planners in Washington are worried about the future. Both of those considerations are extremely important to the defense posture of this country.

Somebody has to look at a policy in a macro sense and make those tradeoffs. When I list my priorities, I think all are important, but my immediate day-to-day concerns would be sustainability and readiness.

I think we are making progress in that area for which I am very encouraged.

Chairman Tower. Thank you.

General Nutting.

General Nutting. Mr. Chairman, I essentially would echo the views of my colleague, but acknowledge that from the standpoint of my own responsibility, I am influenced to a certain extent perhaps toward the importance of modernization in the long run inasmuch as it is the central reserve of Army and Air Force forces for which I am responsible.

Given the fact that our strategy really is one of deterrence, it seems to me then that as with insurance policies, we have to hedge to a certain extent between the allocation of resources for pure readiness and sustainment of existing forces and the modernization of those forces.

As you have observed, we do get a component of readiness out of the modernization program. I believe the budget as it is submitted provides an appropriate balance between readiness and sustainability of current forces and their modernization, assuming that we are unlikely seriously to go to war tomorrow. That is really what we are betting.

I would also observe that given the readiness reporting system used by the various services, we deal largely in a statistical readiness that really doesn't tell the whole story.

There is interest, I understand, in the condition of certain levels of organization 2, 3, or 4 years ago as compared with today and statistically as we record readiness, it is difficult to show great changes.

[Additional information follows:]

When discussing readiness, it is important to understand that in one respect we are discussing our ambitions for the future quality of the force. So, readiness and modernization both are horizons that are always receding: you know your direction, but you never quite reach your destination. That does not mean you should stop traveling. If we do it correctly, that is how we should regard these matters.

General NUTTING. On the other hand, we would acknowledge in one of the readiness reporting categories, that personnel is of principal importance. We have higher numbers, we still have some selective problems in the skill areas, but we are better overall.

We are better in the equipment on hand category partly because of the modern equipment that has been provided. Equipment serviceability, perhaps because a lot of the equipment in the force is aged, is not what we would like it to be.

I think clearly the fourth category or statistic that we report, training worldwide, has exhibited an order of magnitude improvement. We are engaging in the kind of training now that has a strong impact not only on the individual in collective skills, but also has a substantial impact on the morale of the force.

Of those four statistical measures that we have to use, as our reporting systems use them, I think it is also important to recognize that there are other human factors that have a strong component.

I think it is the consideration of those factors that causes most of us to believe that although statistically it is difficult to display improvement, there have been substantial improvements.

I would just cite one example from the modernization effort.

The introduction of the M–1 tank into our forces at Fort Hood causes field commanders to say right off the bat that the tempo of operations possible now among those armored forces has been multiplied by a factor of two.

Their ability to fight at night has been multiplied by a factor of three. The fact that that tank has replaced another one of much lesser capability really does not come through clearly in our reporting system.

The fact that nonunit supplies and materiel have been purchased over the last few years, particularly in the area of ammunition that we are all concerned about, is a strong factor affecting our readiness and substantially that doesn't come through the reporting system.

In addition to the kind of training, realistic training we are conducting now I think has a substantial impact on the true capability of our units. You have to recognize, I believe, that there is a real doctrinal ferment underway in each of the services.

There is serious thought being given, perhaps more so than in many of the years past, and all of these nonstatistical factors, I believe, combine to give us such an important impact on morale that overall clearly we are ready.

Having said all of that and trying to recognize that there is both a statistical and human side of readiness, I would repeat my belief, in direct answer to your question, that the budget does recognize the importance of readiness and sustainability; not as much as we would like to see because it is not going to fix all of our problems, it will fix a lot of them, but there will still be a lot remaining.

On the other hand, within what I would say are reasonable resource limits, it also is bringing modernization of equipment into the force that gives us an extra element of readiness through the human side of the force.

I think it is a very sensible program, given those varying considerations.

Chairman TOWER. General Kingston, do you have the force allocated to you to accomplish your mission as assigned by the JCS?

General KINGSTON. I have the forces assigned to me for planning, yes, sir.

As you know, I have a force that comprises all four services. It contains three Army divisions with their organic divisional combat service support elements.

It had the 1st MAF, the 7th MAB Marines, it has seven tactical fighter wings, it has additional intratheater and intertheater strategic lift, it has three battle group task forces, it has a Middle East force currently under my command in the Persian Gulf.

Given the spectrum of missions that I have been given and with the basic mission of my command, deterrence, and with the lift capability that we now have in this country, not the future lift capability we will have, I feel that I have sufficient forces and I can get them there not as fast as I would wish, of course, but can get there to do the mission I have been given at this time.

As you know, sir, the projected forces will increase over the 5-year period. That is because it is anticipated that the lift capabilities will also increase.

The total force that I have now totals over 250,000 people.

Chairman TOWER. My time is up.

Senator Nunn.

Senator NUNN. Thank you, Mr. Chairman.

General Nutting, continuing your answer to Senator Tower, when you get away from the statistics on readiness, if you were sitting in Congress or trying to explain where the money has gone into readiness in the last 3 years and the statistics don't show any improvement, which I understand they don't, except in the personnel area, and I know they do there, there is a tremendous improvement there, what would you use?

What kind of judgment would you make? How would you go about explaining to the taxpayers that their money is being used in the area that all the focus was on 3 years ago which by statistical measures has really gone down?

General NUTTING. Senator Nunn, I have to agree that that is a difficult task.

We have for a number of years seized upon four statistical measures. They at present do not show the kind of increase that I believe and many of us believe is evident.

We have never been able to quantify the status of leadership, morale, and I guess the only way I could——

Senator Nunn. That is personnel. Personnel readiness has gone up; is that right?

General Nutting. Yes.

EQUIPMENT READINESS

Senator Nunn. It looks like in that personnel area, that has gone up. It is the equipment readiness that has more or less gone down, isn't it?

General Nutting. I am not so sure it has gone down, but it has not shown a substantial increase.

Senator Nunn. Don't we have more fully capable maneuver units now in the Army than we did 3 years ago?

General Nutting. The Army, as you know, maintains or really consolidates readiness factors based upon division aggregations and battalion aggregations.

Over the last year there has perhaps been a slight upward shift among the division aggregations. I would have to admit, however, that from 1981 to 1982 there was some degradation, at least in Readiness Command Army components.

The brigade, I believe, has shown a very slight change which probably is not worthy of discussion. I believe, as was pointed out earlier today, if you look at numbers of battalions, there is probably some degradation.

Some of that trend is the result of the age of the equipment with which we are dealing. Until it is replaced, it is likely to continue going down and therein lies the importance of the modernization program from a statistical point of view.

I believe that the provision of spares and that sort of thing——

Senator Nunn. Most charts I have seen indicate the more modern equipment usually requires more maintenance, not less. I know ADP equipment does.

Chart after chart shows funding for readiness has to go up when you get more modern equipment.

We have had all sorts of analyses. It has never been refuted.

General Nutting. I would not refute it. For a period of time the modern equipment provides, I think, a more reliable degree of service than equipment which is substantially out of date and worn out in some of the cases.

Senator Nunn. More money has to go in to maintain it. I think it is more challenge for the services to come up with a measurement if you are basically saying that the military readiness measurements do not accurately reflect the true state of affairs at this time.

If you say it this time, it would be true two or three years ago, would it not?

General Nutting. Yes, sir, I believe that is true.

Senator Nunn. Isn't that a very difficult position for the Congress and the decisionmakers and the Department of Defense and executive branch to be in if we don't have meaningful statistics to indicate the readiness of our military forces?

I know there are always subjective judgments. You are going to have those in any event.

Is your command looking at ways we can better measure this important ingredient?

General NUTTING. That is correct, Senator.

I believe we would recognize there has been dissatisfaction with the elements of this reporting system. I believe the Army in particular and the Air Force also are looking into different ways of measuring readiness.

One example of the difficulty I did cite is the changes in the table or organizational equipment which provides the justification for introduction of equipment that we want to make sometime in the future. Yet we know that equipment will not be present for a period of time. Because it is authorized equipment, it immediately becomes a deficiency, when in practice it may not seriously affect the mission capability of that particular unit.

Senator NUNN. There ought to be some way to change that in terms of measurement.

General NUTTING. Yes, sir.

Senator NUNN. I think the American people who are paying the taxes, particularly with the kind of deficit we have now and Wall Street reacting with at least mild panic, have a right to ask what you are doing with this money.

Let us measure it. I think we have to be able to answer those questions.

MISSILE-CARRYING SUBMARINES

Let me shift the subject just a minute.

Admiral Crowe, we notice from various reports that the Soviets have moved missile-carrying submarines closer to our shores. At least that is the news report.

If you were directed to make a determined effort to find as many of those as you could, do you have adequate P-3's, spares and sonar buoys to do that?

Admiral CROWE. Still positing a peacetime environment?

Senator NUNN. Yes, sir.

Admiral CROWE. Certainly in my region I believe we could, Senator. If you want specifics, I would prefer to go into executive session.

Senator NUNN. Let me defer on the specifics until later.

IRAN AND IRAQ

General Kingston, the conflict between Iran and Iraq has been intensifying in the past few weeks.

Could you give us your view of what is happening now as you see it and give us some idea of the balance of power and the likely events particularly as it pertains to your command and our vital interests as you understand them?

General KINGSTON. Senator Nunn, the recent newspapers have had Iran going into a very serious human wave attack, emotionally with the fundamentalists, not the regular army in the central, northern and southern sectors.

As you know, there have been four years of war of attrition, well over 100,000 casualties killed on each side, as reported in the news.

Senator NUNN. Actually killed?

General KINGSTON. Actually killed according to open news articles.

There are nations within and external to the area that have taken practical sides on an ethnic and religious basis. Iran has a capability to continue to export more oil than Iraq has. It is getting direct funding from that oil.

Iraq has one method of exporting their oil and that has been challenged and we can go into that in closed session if you want.

My personal opinion is that if Khomeini does export his fundamentalism, as he has threatened, to other countries in the region and if he continues the flow of oil and continues buying arms, as he has done in the past, he will have the upper hand eventually.

Iraq is running out of money. We are very concerned about their personnel. They are in a defensive position in the mountains, particularly in the north and central regions along the border.

Their major roads and lines of communication run north and south paralleling the front line. Any penetration of any depth, would cut their main LOC.

I feel that is all I can say in open session.

Senator NUNN. Thank you.

Chairman TOWER. Senator Goldwater.

Senator GOLDWATER. Thank you, Mr. Chairman.

DEPLETION OF BATTALION STRENGTH

General Nutting, a followup on the question that Senator Nunn asked relative to a depletion of battalion strength in the last several years.

Isn't there some way you can measure the personnel factor in the readiness of these units?

I have talked to many commanders at all levels of all the forces. They think that our readiness now is at one of the highest levels it has ever been.

I think if you try to statistically measure solely by how many tanks you have, and other equipment, you might not arrive at the true measure of a unit's readiness.

The fact is that 91 percent of our enlisted men are now high school school graduates and there is a high degree of morale I find in the forces I visit. I find commanders saying these are the best soldiers, sailors and airmen we have ever had.

Even though we may have fewer battalions, would you say that you feel as a commander you are better off today than you were three or four years ago?

General NUTTING. Absolutely, Senator Goldwater. I agree with that.

I did try to recognize that of the four categories that we use as a basis for readiness reporting, they really don't permit, statistically, commanders to bring out those kinds of factors that are difficult to quantify.

In the personnel area where I think we have all agreed there has been substantial improvement, not only in numbers, but in qualifications, we deal only in numbers and required skills.

Each commander does have the opportunity to subjectively upgrade. It is not in the personnel area, however, where most of the deficiencies have been found in the last 2 or 3 years. It is in the area of equipment and supplies. We are bound by certain requirements of the reporting system which cause us to continue to cite deficiencies, largely in hardware.

Senator GOLDWATER. I recognize the deficiencies in materiel. I am thinking about the overall ability of our forces to fight.

I feel, myself, from my personal observations that they are in better shape. I have always argued that while the Soviets may outnumber us in tactical aircraft, tanks, and artillery, et cetera, I would rather have 1 American man behind me than maybe 10 Russians.

I find that the average American enlisted man doesn't need any prodding. If you lose a leader, they keep on going.

I don't criticize Senator Nunn's questioning on this at all, but this is such an easy area for the press to mislead the country and say that because we do have a deficiency in equipment, we are, therefore, deficient in fighting ability.

I don't buy that.

General NUTTING. Nor do I, Senator Goldwater. Far and away in my years of service this is the finest force that I have ever dealt with and each of my colleagues I believe shares the same view.

Senator NUNN. I might add I have said over and over again quality of personnel will outweigh——

Senator GOLDWATER. I am trying to see if there is any way we can work personnel in as a factor in readiness.

Senator NUNN. You have a personnel readiness rating and that has gone way up.

Senator GOLDWATER. I am thinking of getting the information across to the American people about how much we have improved in our fighting ability.

I admit things would be a lot better if we had more M–1 tanks and more F–15's and F–16's, and, in General Kingston's case a little larger airlift.

General Kingston, that brings me to you.

AIRLIFT PROBLEMS

Airlift is a problem, it has been a problem ever since World War II. I don't think we have ever been better than 20 percent efficient for a D-day or M-day lift.

Is that what you find?

General KINGSTON. I would like to throw out statistics and you can fit them anyway you want.

We can deploy a light division today in about 2 weeks from the continental United States to the center of the U.S. Central Command.

Senator GOLDWATER. Two weeks?

General KINGSTON. In about 2 weeks and that is with limited sustainability, of course, and not all of it combat service support.

I also assume that the airlift will not be attrited.

During World War II it took 84 days to deploy a division from the east coast of the United States to North Africa. It took 96 days to deploy a division from the west coast to Australia. I think we have come to a one-magnitude jump since then.

The airlift, I don't know about 20 percent because we look at the capability of what we have. It is again without attriting the current strategic lift of CRAF which we would need, the Civil Reserve Air Fleet.

I support, as I have said in my statement, the additional 50 C–5As and procurement and in the force as soon as possible of the C–17 plus the KC–10 tankers and 44 additional ones are critical to sustain the air fleet.

Senator GOLDWATER. The Soviets could employ that many divisions in less than 2 weeks in your theater, could they not?

General KINGSTON. They have approximately 30 divisions in the northern areas in Turkistan and Transcaucus.

Senator GOLDWATER. I think you will be glad to know that the C–17 is coming. You will probably have it within 8 or 9 years.

I still don't think, in my personal view, that the addition of 17's is going to close the gap. I would like to see us go stronger for more heavy lift.

One of the original concerns regarding the C–5 was that it had to use a paved runway and the C–17 will probably have to use one.

The question then becomes how you get the materiel from the cargo ship to your front lines. You will not find paved runways where you are going to do your fighting.

Would you use mainly helicopter lift from the cargo point to your front lines?

General KINGSTON. The airlift is so large internally it depends on the threat and what threat we are going after. The strategy indications and warning are so critical for the execution of my plans and it would not be 1 division against 30. It would be a multiplicity of divisions.

We don't feel they would cross with their full 30 divisions. The IBM could allow my force within the area from those staging bases to deploy the forces using intratheater airlift and those that we have now into position.

The heavy lift helicopters that we see now would be useful for assistance. The gradient in the areas I may have to fight is such that we will have to leave a lot of our ships miles offshore and the pre-positioned ships that we now have, as you know, require a benign area to off-load them. We have taken those into consideration.

Senator GOLDWATER. Thank you very much, gentlemen.

That is all I have, Mr. Chairman.

Chairman TOWER. Senator Quayle?

Senator QUAYLE. Thank you, Mr. Chairman.

General Kingston, in your prepared statement you say you believe we need USCENTCOM forward presence ashore.

Do you have any candidates?

General KINGSTON. I have several, but I have not received invitations to put them there.

I would rather touch on that in closed session because of the sensitivity of the countries in that area.

Senator QUAYLE. I will be glad to defer to your judgment on that.

PACOM AND CENTCOM JURISDICTION

Looking at the chart of jurisdiction between PACOM and CENTCOM, I understand you have all the Persian Gulf area and the states all around there.

General **Kingston**. And the Red Sea.

Senator **Quayle**. In other words, you have the responsibility for keeping the Strait of Hormuz open?

General **Kingston**. That is correct.

Senator **Quayle**. You would coordinate certainly with Admiral Crowe and I presume TACOM.

How would this work from a communications standpoint?

General **Kingston**. We are doing that on a day-to-day basis between Admiral Adams who is the commander of the Middle East force and Admiral Crowe's force.

We have communications, we exchange liaison officers when required. We conduct exercises. We have conducted several in which we interchanged support.

We have areas in which I would support the admiral's forces or his forces would support me depending on the situation, and we have communications.

Senator **Quayle**. How many naval forces do you have under your responsibility?

General **Kingston**. I have five ships at this time, a flag ship and four combatants in the Persian Gulf. The flag ship has been in the Persian Gulf since 1979.

Admiral **Crowe**. That is the Middle East Force.

Senator **Quayle**. Who is in charge there?

General **Kingston**. I am, through the naval component. Commander Newman here is CINCPAC in Hawaii. He is there to do the exact coordination with his staff and the admiral's staff and Admiral Follett's staff.

Admiral **Crowe**. We normally have a carrier group deployed in the Arabian Sea with logistics ships as well as, at frequent intervals, Marine amphibious units and amphibious support.

Senator **Quayle**. If you have an emergency type situation in the Persian Gulf and you have to have a quick response, is this going to go through CENTCOM or will this go through PACOM or are you talking about a combination of the two?

Has this been worked out?

Admiral **Crowe**. When you say emergency response——

Senator **Quayle**. I am talking about quick breakout of the Iraq-Iran war and the shipping lanes are closed and we are saying we are going to respond in a quick period of time.

Whose area of responsibility is this?

General **Kingston**. That would be mine, sir, supported by Admiral Crowe.

Admiral **Crowe**. My forces on the scene have authority for direct liaison with General Kingston.

Senator **Quayle**. The support would come from Diego Garcia?

Admiral **Crowe**. If there is that kind of threat. He may also have a problem of bringing in land-based air or ground support.

As far as the naval problem is concerned, that would be his first reinforcement and augmentation.

Senator QUAYLE. Land-based Army and air would come from?

General KINGSTON. Central Air Force Command, my area.

Admiral CROWE. If I could add a word, this is not unusual in our setup, particularly when we have three major unified commands around the world that abut each other.

In every one of those we have to have some arrangement where one command can support another tailored to the circumstances.

Senator QUAYLE. What brought my attention to it, we have been talking about the rapid deployment forces.

General Kingston and General Nutting, your headquarters are at MacDill in Florida.

Admiral Crowe, you are in Hawaii.

We do have some forward base small commands on the ship. You would like to get something on shore. I am looking at the conflict, the emergency type situation, how this is all going to work its way out.

I am trying to see how prepared we are to deal with a response.

General KINGSTON. We are prepared as much as we can be with the distances involved. The distances from the east coast of the United States to Dhahran, Saudi Arabia, is 7,500 miles, 8,100 miles if I have to go to Hormuz, 12,000 miles if I have to go around the Cape of Good Hope. You are talking about a very large time frame.

Also it depends on the threat. The threat that you have postulated we have been looking at very closely since the Iranian threat to close the Straits.

Senator QUAYLE. How about the European Command? Could that give us some assistance in this kind of situation?

General KINGSTON. The U.S. European Command?

Senator QUAYLE. Yes; or are they pretty well out of it?

General KINGSTON. If something happened, I am pretty sure they would want an increased alert. We are working with our allies.

I would like to comment on this in a closed session.

Admiral CROWE. We are refining our interface. In the last few weeks we ran a number of exercises which I won't go into specifically, but which would permit us to use the Arabian Sea forces to support him inside the Gulf. It had to be coordinated with his forces, some of his air forces as well as ours.

Senator QUAYLE. Maybe you can give us more detail on the exercises in closed session.

Let me shift to another subject, not entirely different, on unified commands.

UNIFIED COMMAND IN SPACE

What is your opinion on having a unified command in space?

Would this help your situation in coordination? Would it complicate it?

General KINGSTON. I think it eventually will have to come, sir. I think it is best to unify it now because all services have one requirement. They will be providing resources, human initially, for the Army and also that command will be involved with the existing unified commands.

Obviously we are recipients of what is up there now.

Senator QUAYLE. Admiral Crowe, do you share that?

Admiral CROWE. I must confess ignorance here. I have no quarrel with the command itself.

Senator QUAYLE. Do you think the operation of a land base would be helpful to your responsibilities as an attack commander, to unify this in space?

Admiral CROWE. Theoretically, I would say yes. We have such complicated command arrangements now I think we could work it out.

Senator QUAYLE. General Nutting.

General NUTTING. I would have to admit that I have not thought through all of the ramifications of that organizational step. I, too, would believe as the character and capability of the forces develop that that is a possibility that has to be considered.

I am presently concerned about the techniques and the procedures involved in the operation at the joint interfaces and it deserves study.

SHARING DEFENSE SPENDING

Senator QUAYLE. Admiral Crowe, a number of people here in the Senate and I believe the Secretary of Defense as well, talked about allies sharing the burden of defense spending.

Could you give us some specific additional requirement that we could ask the Japanese to meet that would help us in carrying out our mission in terms of our policies?

You know they are still below the Maginot Line of the GNP.

Admiral CROWE. Senator, I will be real candid.

First of all, I don't think there is any quarrel, at least at this table between civilians and military, that the Japanese should do more in their own defense.

As a unified commander in the Pacific, I do not tell the Japanese specifically what I think they should do. I encourage them to develop an increased capability for their own defense. I encourage them to invest more money.

Senator QUAYLE. What could they be investing more money in?

Admiral CROWE. They have taken some steps I heartily applaud. They have derived that on their own. Up to this point they have put the bulk of their investment in air defense for Japan.

I think that is a very wise step. It is not only a wise step in terms of defense for Japan, but it enhances the defense capability of the entire region.

That is a decision arrived at by the Japanese themselves which we have encouraged and applauded. They have recently—although there is some controversy in Japan whether it is a formal Government policy—said that their objective is to defend their sea lanes 1,000 miles from their homeland.

We think this would be very helpful. We think it would secure a vital interest of Japan, enhance their defense and when it did that, it would allow us to put our capabilities elsewhere. It would help us.

I should emphasize that that is a requirement. They do not have that capability today, but this present Government is working toward that capability.

Senator **Quayle**. To get that capability, what would they have to do more of?

Admiral **Crowe**. The kind of thing we do in sea lane protection—ships, antisubmarine warfare, both air and seaborne, and all the weapon systems that go with that and the warning systems.

Chairman **Tower**. Gentlemen, we will go into closed session now. So, let us clear the room of those who are not eligible to be here.

EXECUTIVE SESSION

Chairman **Tower**. I have to leave, so I am going to defer to Senator Nunn at this point.

Senator Goldwater will preside.

IRAN/IRAQ WAR

Senator **Nunn**. I have just a couple of questions following up on the Iran-Iraq war.

Is there anything more you can tell us in closed session about that situation?

General **Kingston**. [Deleted.]

Senator **Nunn**. Do you think he may run out of fundamentalists?

General **Kingston**. [Deleted.] What we are concerned with, of course, is Iraq lashing out to stop or attempt to stop Iran's oil producing facilities as they have threatened to hit Kharg Island and then Iran in turn saying they will close the Strait of Hormuz.

[Deleted.]

Senator **Nunn**. What do you do if they just simply sink a few ships and the insurance rates go up to a prohibitive level?

General **Kingston**. [Deleted.]

Senator **Nunn**. Is there anything you can do about that?

General **Kingston**. [Deleted.]

Senator **Nunn**. Are the Saudis prepared to cooperate to that extent?

General **Kingston**. [Deleted.]

Senator **Nunn**. Do you feel confident you will be able to keep the Gulf open there?

General **Kingston**. [Deleted.]

Senator **Nunn**. Admiral, do you want to add anything?

Admiral **Crowe**. I have very little to add, Senator. [Deleted.]

Then you get in the more severe problem that General Kingston talks about if they are willing to fire on those ships with air or artillery. [Deleted.]

General **Kingston**. [Deleted.]

Senator **Goldwater** [presiding]. General Kingston, I was on Kharg Island a number of years ago. I got the impression that it would be a very easy target. The few 70-inch pipelines that feed it and the number of storage tanks I would think would be rather vulnerable to air attack or sea attack, especially if they destroyed the pipelines.

Do you look on that as a serious target?

General **Kingston**. [Deleted.]

Senator **Goldwater**. If they destroy that island, they pretty much destroy Iran's ability to service any tankers, would they not?

General KINGSTON. [Deleted.]

Senator GOLDWATER. I think if anybody ever hit that target, you could see it from here.

General KINGSTON. And probably hear it, too.

Senator GOLDWATER. We don't have any Air Force people testifying today, although they are here.

When Khomeini took over, it was my impression that the Iranian Air Force sort of went downhill. They lost pilots, they destroyed aircraft.

Have they built their air force up again to be an effective weapon?

General KINGSTON. As you know, there was a purge initially. A lot of not only air force officers, but a number of the military officers were executed and jailed for being too pro-U.S. [Deleted.]

Senator GOLDWATER. Colonel, do you agree with that?

Colonel MYERS. [Deleted.]

Senator GOLDWATER. That would be my impression.

Senator Quayle, do you have any questions?

Senator QUAYLE. Maybe you have already answered this.

What intelligence have you had which shows a breakout of Iran that will possibly close down the Strait of Hormuz?

What are we really looking at?

General KINGSTON. The Iranians have declared if they hit their oil producing, refining and shipping facilities, they will spread the war throughout the area and they will close the Strait of Hormuz; that if their oil is prevented from moving, they will prevent all of it from moving. That is what is behind it.

Senator QUAYLE. You think within a fairly quick period of time you could stabilize that situation and keep the strait open?

General KINGSTON. [Deleted.]

Senator QUAYLE. [Deleted.]

General KINGSTON. [Deleted.]

Senator QUAYLE. [Deleted.]

General KINGSTON. [Deleted.]

Senator QUAYLE. [Deleted.]

General KINGSTON. [Deleted.]

Senator QUAYLE. What do you think the Soviet response would be if we went in to take care of the mine situation? How would they fit in the equation?

General KINGSTON. [Deleted.]

Senator QUAYLE. What kind of probability does the intelligence community give you of Iraq knocking out Iran's supplies and Iran retaliating?

General KINGSTON. I cannot speak on an assessment of the intelligence community. I have gone in and asked for capability. They have returned by saying these are the capabilities.

Senator QUAYLE. You don't have a net assessment?

General KINGSTON. We look at the capabilities on an——

Senator QUAYLE. They do have the capability to do what they said they would do? What kind of probably does this have?

General KINGSTON. We don't have that.

Senator QUAYLE. Are you concerned about it?

General **Kingston**. I am very concerned.

Senator **Quayle**. Is the intelligence community concerned?

General **Kingston**. They are concerned and they are watching.

Admiral **Crowe**. Sir, we all have some reservations about their ability [deleted].

It is a serious question whether it is within Iran's capability [deleted].

Senator **Quayle**. That is basically what they would do?

General **Kingston**. [Deleted.]

Senator **Quayle**. Earlier in open session you talked about command ashore.

General **Kingston**. [Deleted.]

That is one of the problems.

Senator **Quayle**. [Deleted.]

General **Kingston**. [Deleted.]

Senator **Quayle**. How is the so-called Jordanian strike force? Does that fall under your jurisdiction?

General **Kingston**. [Deleted.]

Senator **Quayle**. Some of it is in the open?

General **Kingston**. [Deleted.]

Senator **Quayle**. What kind of equipment transfer would it mean? There is $200 million in the budget.

What are we talking about? Are we talking about the Stinger?

General **Kingston**. [Deleted.]

Senator **Quayle**. I have just been informed by staff that we are getting into [deleted].

I will take a couple more minutes. Is that all right with you, Mr. Chairman?

Senator **Goldwater**. Everything is all right with me.

Senator **Quayle**. I want to get a brief description of the joint exercises that you talked about earlier.

Can you tell us a little bit about that?

General **Kingston**. I had the Rapid Deployment Joint Task Force for a year and a half before I had this Command. We did a series of exercises. The largest one is the Bright Star series in which we operated the U.S. forces in Egypt and Sudan. We interchanged [deleted].

Senator **Quayle**. When did this take place?

General **Kingston**. Two weeks ago.

Senator **Quayle**. Was that the first time you had that interface?

General **Kingston**. [Deleted.]

Senator **Quayle**. Do you have another type of interface exercise?

General **Kingston**. [Deleted.]

Admiral **Crowe**. [Deleted.]

Senator **Quayle**. [Deleted.]

General **Kingston**. [Deleted.]

Senator **Quayle**. I have used enough of the time. Thank you for your indulgence.

Senator **Goldwater**. Gentlemen, I want to thank you. It has been a very educational and interesting day. I just wish you well in your various commands.

[Questions with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN TOWER

U.S. CENTRAL COMMAND

Chairman TOWER. General Nutting, your Command is somewhat different in that you have no specific land area that you are responsible for. General Volney Warner, one of your predecessors as CINC REDCOM, is said to have retired from REDCOM, objecting to the establishment of CENTCOM. As I understand it, General Warner felt that REDCOM could handle the mission assigned to CENTCOM, and stated publicly that if CENTCOM were established, that there was no need for REDCOM. What are your views on this issue?

General NUTTING. A good deal of confusion has arisen from General Warner's testimony before the House in 1981. General Warner did not object to the establishment of the U.S. Central Command. His objection concerned the establishment of an independent RDJTF, which resulted in the duplication of a mission responsibility assigned to the US Readiness Command. The mission of the RDJTF, originally a part of the US Readiness Command, was to provide a headquarters for worldwide contingency operations and planning. When the US Central Command was activated in 1983, RDJTF's mission—the mission to plan, provide the headquarters for, and conduct worldwide contingency operations—remained with the U.S. Readiness Command. Since then, USREDCOM's responsibility for the worldwide joint task force mission has been reaffirmed on several occasions by the Joint Chiefs of Staff.

Therefore, the missions of the two commands today are entirely different. The mission of the U.S. Central Command focuses upon the specific geographical area of Southwest Asia.

My view is that a definite need exists for the U.S. Readiness Command. If we did not have a command to accomplish the missions assigned to USREDCOM, we would have to invent one. Our primary mission is to provide a general purpose reserve of combat-ready forces. We provide contingency planning and a joint task force headquarters as well as contingency planning for worldwide deployment.

The threat to the Persian Gulf area has increased markedly in nature and size over the past 20 years. This area is included, as I have pointed out, in the geographical responsibility of the US Central Command. The establishment of USCENTCOM reflects a new appreciation of the enlarged threat to U.S. and Allied interests in the region.

The roles of USREDCOM, the U.S. Central Command, as well as all the other unified commands, are complementary, but each has specific responsibilities that differ. USREDCOM must plan for specific global U.S. contingencies, including an attack on our own country; support the plans of all the other commanders in chief with the central reserve of land and air forces of the United States; develop joint tactics, techniques and procedures; and conduct joint training in the continental United States. USCENTCOM, as well as the other unified commands, must plan, train, deploy and fight, if necessary, in a specific geographical area. While USREDCOM's responsibilities are global in scope, USCENTCOM and all the other unified commands focus upon particular parts of the world.

USREDCOM protects the United States itself, our vital strategic rear, from a substantially increased Soviet threat. Furthermore, USREDCOM is the only common denominator between the Services and the other unified commands in its role of providing general purpose combat-ready forces to area commanders in the event of war. The missions of USREDCOM are therefore unique. No other command is so tasked. Therein lies the reason for being of USREDCOM.

SITUATION IN KOREA

Chairman TOWER. Admiral Crowe, discuss briefly the situation in Korea. Is the balance of power satisfactory to deter the North Koreans?

Admiral CROWE. In South Korea, President Chow Tu-Hwan's government has established a good degree of political and social stability. The economy continues to show modest improvement. Dissident elements are largely fragmented and lack widespread support. The Chon administration has enhanced South Korea's international status by its selection as host for the October 1983 Inter-parliamentary Union and upcoming large international events like the 1986 Asian Games and the 1988 Summer Olympics. North Korea's internal political situation is stable and will likely continue as long as Kim Il-Song remains in power. The campaign promoting his son, Kim Chong-Il, as the heir apparent is proceeding [deleted] North Korea's policy of undermining international support for South Korea obstructs peaceful reunification efforts, and its campaign to discredit South Korea through propaganda and diplomatic activity has been counterproductive. North Korea's latest peace initiative is viewed by Seoul as another propaganda gambit to alleviate the diplomatic isolation that resulted from the Rangoon incident. [deleted]. The most likely scenario over the next several years will be occasional violent incidents and tension continuing at about the present level.

At present, the balance of power is maintained with the presence of US forces backed up by rapid reinforcement capabilities. North Korean military spending approximates 20–24 percent of GNP, while South Korea allocates about six percent of its GNP. The North Korean army has a clear numerical edge over South Korea with a personnel strength of 700,000 compared with 520,000 for South Korea. North Korea also enjoys superiority in the quantity of ground forces' combat equipment. The South Korean Air Force possesses a qualitative advantage in its modern, more capable combat aircraft. South Korea is undertaking programs to close the gap, [deleted]. A strong US commitment to South Korea has been, and will continue to be, a key in deterring North Korean aggression and maintaining the balance on the peninsula.

DEPLOYMENT OF SOVIET CARRIER TO THE PACIFIC

Chairman **Tower**. The recent deployment of a second Soviet aircraft carrier to the Pacific dramatizes the growing Soviet military presence in that part of the world. What is your assessment of the current military balance between the United States and the Soviet Union in East Asia and the Pacific? How is that balance likely to change during the next five years?

Admiral **Crowe**. As I have testified in both my written and oral statements, the military situation in the Pacific today is too close to call. The Soviets are devoting enormous resources toward improving their blue water force projection capability. Their submarine posture is worrisome and getting more so. Their land-based tactical aircraft outnumber ours by 10–1, even counting all carrier-borne aircraft, they still outnumber us by about 2.5–1. They have many long-range offensive strike-capable bombers stationed in the Far East, while we have only a handful. What is most significant is they are modernizing all of these forces, as well as their early warning and joint defense capabilities at an extraordinary rate—far faster than we are. On the U.S. side, we are programmed to receive two F–16 squadrons at Misawa AB in Northern Japan in the latter half of this decade. We are also continuing to take possession of newer, more capable naval combatants and submarines, as well as a brigade of Army special forces. Still these improvements are insufficient in themselves in the face of the ongoing Soviet modernization effort. At the same time, I am convinced that our own effort is moving in the right direction. We have clearly halted the decline in our capabilities which occurred during the 1970s and our forces are now showing steady improvement in personnel, equipment, sustainability and readiness. The trends are good. To answer the question of the relative balance 5 years from now, I would say I see no slowing on the horizon of the Soviet buildup. The question then is whether our own forces will continue to enjoy the essential budgetary support, without which we cannot hope to match the Soviet forces of 1989.

PHILIPPINES

Chairman **Tower**. Admiral Crowe, give us your views on the situation in the Philippines. How secure is the Marcos Government? Are our Philippine bases in jeopardy?

Admiral **Crowe**. President Marcos is facing health, economic, and political problems [deleted].

I do not believe that U.S. tenant military facilities in the Philippines are in jeopardy at this time. [Deleted]. Our presence is a tremendous symbol of U.S. support, a tangible contributor to regional and global security, and an important economic element for the country. [Deleted].

UNIFIED COMMAND

Chairman **Tower**. General Kingston, since you are the CINC of the newest Unified Command, perhaps you could give us a little history on the genesis of

CENTCOM. As you know, there are some who disagree with the establishment of CENTCOM.

General KINGSTON. The genesis of U.S. Central Command, which has responsibility for all U.S. military activity in the nineteen nations making up the Southwest Asia-Persian Gulf-Horn of Africa region, occurred as described in the following paragraphs.

After the British withdrew their military forces from that part of the world in 1971, the Western World increased its reliance on Iran to fill the vacuum left by the British.

The fall of the Shah of Iran in 1979 triggered considerable instability in the region and coincided with two other important area trends. First, Western Europe and Japan had become increasingly dependent on the energy resources of the Persian Gulf. Second, there was a dramatic increase in Soviet military capabilities during the 1970s. These events, combined with a renewed Soviet willingness in late 1979 to employ military forces outside its and the Warsaw Pact nations' borders into Afghanistan, made it clear that neither the United States, the NATO Alliance, nor the states of the region had the military capability to maintain stability in the area.

The Rapid Deployment Joint Task Force (RDJTF) was established in March 1980 by President Carter to focus our capability to project U.S. military power quickly. Southwest Asia was designated as its primary area of interest. However, by its very nature, a joint task force is limited in scope. Significant security and economic issues developed that required long-term, focused attention. A permanent command with geographic responsibility for the region was needed, a command that could perform the full range of functions that the U.S. European Command performs for Western Europe and the U.S. Pacific Command performs for the Pacific theater. The U.S. Central Command became our nation's sixth unified command on January 1, 1983.

While I am aware that there are some who disagree with the establishment of USCENTCOM, I believe that in the fourteen months of our existence we have accomplished more than even our staunchest advocates thought possible. For example, we have improved our intelligence, military construction and pre-positioning capabilities, established an FHE afloat, assumed security assistance functions for the AOR and conducted two major joint exercises with our friends in the region.

Chairman TOWER. Does the geographical area that you are responsible for make sense in terms of our geopolitical interests?

General KINGSTON. Both OSD and JCS considered many factors in selecting the boundaries for the USCENTCOM's AOR.

I am satisfied with the outcome and feel that their decision is a realistic approach to meeting our defense needs at the present time. Resources allocated to USCENTCOM enable me to meet my responsibilities short of full scale Soviet invasion in the region. I am not able to assume responsibility for additional countries without increased assets and am fully challenged now.

ARMY'S LIGHT DIVISION

Chairman TOWER. General Kingston, this morning I asked General Stone of EUCOM about the Army's new light division. Let me pose the same question to you.

Do you see a role for the new 10,000-man division in your area of operation?

Were you consulted on the decision to create such a division?

General KINGSTON. In answer to the first question, a light division would fulfill several roles. In a strategic sense, its ability to rapidly deploy in the event of a crisis could serve to deter or dissuade adversary nation intentions. Crisis escalation risks, and the costly deployment of heavier forces, could possibly be avoided. In a mid or high intensity conflict, the light division could be used to quickly reinforce heavier divisions at critical points in the battle, fight in such restricted terrain as mountains and urban areas, and secure such key facilities as ports, airfields, and logistics and communications centers. Its blend of lightness and firepower would pay great dividends in the conduct of war in my area of responsibility, where rugged terrain and extended battle frontages are anticipated.

Regarding consultation, the Department of the Army staff did brief me on the light division concept. Additionally, it was a topic of discussion during a recent CINC's Conference. I support the concept as it is now envisioned. I would also be quick to voice my opinions and recommendations to correct shortfalls that might surface during formal concept evaluations.

MISSION VERSUS FORCES ALLOCATED

Chairman TOWER. General Kingston, do you have the forces allocated to you to accomplish your mission as it is assigned by the JCS.

General KINGSTON. Generally speaking, yes. Planning to accomplish my mission is based upon current capabilities using resources identified by JCS as being available for use in executing decisions in response to both planned and unplanned crisis situations. Using resources currently available, I can deploy a tailored and balanced, four Service force in sufficient time to my area of responsibility to counter the spectrum of threats presently posed. I would add however, [deleted]. Recent programs which enhance airlift and sealift deployment capability and those who pre-position resources in the region have done much to improve USCENTCOM's ability to rapidly respond to a crisis. With additional improvements I will be able to do more at reduced risk to my force.

POWER PROJECTION

Chairman TOWER. General Kingston, can you give us some feel for your objectives with regard to your ability to project power rapidly into your area of operation?

General KINGSTON. Power projection into my area of responsibility encompasses deployment, warfighting and sustainment capabilities. My objective with regards to deployment capability is to continue to support strategic airlift and sealift programs that will reduce deployment flow times, thereby allowing my forces to quickly be prepared to deter or fight the enemy. Additional airlift assets, to include C–141, C–5 and KC–10 tanker aircraft, support this objective. Sealift programs such as SL7, RORO, and LASH acquisitions also support deployment objectives. Examples of enhanced warfighting power projection include the fielding of the light division and additional special operations forces, acquisition of communications systems that are not vulnerable to jamming, NBC warfare initiatives and weapon systems such as advanced frigates, cruisers and attack helicopters that ensure battlefield superiority. Examples of sustainment programs that must be supported include the pre-positioning of logistical assets within host nations, the construction of force staging facilities in selected countries, acquisition of the C–17 for intratheater airlift and the production of shallow draft tankers. Progress in the above discussed programs will facilitate attainment of my power projection objectives.

SUPPLY STORAGE

Chairman TOWER. I am interested in what you feel is necessary in the way of basing capability, and forward storage of equipment and supplies, and how you are progressing in achieving that capability.

General KINGSTON. My mid-term planning is predicated on having political access in sufficient time to permit the staging of a small deterrent force. [Deleted.]

The forward storage of equipment and supplies in my area of responsibility is critical to the sustainment of combat forces, particularly early on in a conflict [Deleted.]

The major constraint I face in ashore pre-positioning is country access.

QUESTIONS SUBMITTED BY SENATOR WILLIAM S. COHEN

REVITALIZATION OF THE MERCHANT MARINE

Senator COHEN. You mentioned in your statement the importance of our Merchant Marine, and I must say that I agree with you. I am convinced that if there is any further decline in the U.S. Flag Merchant Marine or continued reliance on build-foreign provisions to build ships, that we cannot maintain our fleet, our manpower, or the shipbuilding industrial base that is required to deter war, let alone to win one. But I must say that I am in a dilemma. How do you propose that we revitalize the Merchant Marine in view of the forces arrayed against any kind of subsidy, cargo-preference, build-and-charter, or direct procurement and lease by the Department of Defense or by any other department?

Admiral CROWE. Since the maritime industry includes both merchant vessel builders and operators, it is highly specialized and must include modern technology and economical parameters that will allow it to be competitive with the growing foreign shipping powers of the world. It is my opinion that incentives for those who build or own and operate ships are the only means of obtaining the revitalization required to maintain a viable U.S. maritime industry. To this end I recommend the first step be a detailed review of shipbuilding and ship operating industry regulations with a view towards deleting unnecessary regulatory procedures that do not produce a reasonable profit for the owners, operators and the industry as a whole. The content of any package of incentives will not be easily developed in the face of the elements identified in your question. However, the vital need to develop and maintain an adequate merchant fleet, the backbone of our military logistics support during a contingency, should receive top priority.

AEGIS SYSTEM PERFORMANCE/CG-47/DDG-51

Senator COHEN. Admiral Crowe, in your statement you mentioned your support for the 600-ship Navy. The second CG-47 class *Aegis* cruiser, *Yorktown*, will join the fleet this summer. There has been a great deal of controversy lately concerning the performance of the lead ship of that class, *Ticonderoga*, during operational evaluation tests over the past twelve months or so. Would you please comment on the overall performance of the CG-47 as it enters fleet service, and the overall performance of the *Aegis* system? What does this system do for you that justifies its expense and cannot be done by some other existing platform? How will this ship help you perform the missions you have been assigned? What is the significance of the poor performance of the ship during operational evaluation tests as reported in the press?

Admiral CROWE. While I have to defer to Secretary Lehman and Admiral Watkins in the specifics of the *Ticonderoga* operational evaluation tests (OPEVAL), I would say that the purpose of an OPEVAL is to determine operational suitability and effectiveness. A by-product of OPEVAL is the identification of system deficiencies; we expect to discover these deficiencies and then establish an aggressive program to correct them. Operational testing provides exactly the type of information we look for when putting a new system to sea. I understand that corrective action has already been taken where appropriate with respect to deficiencies identified during OPEVAL. *Aegis* is proving itself daily at sea. *Ticonderoga* is managing the air surveillance situation instead of reacting to it. Her high capability has resulted in a marked reduction of alert combat air patrol launches since her arrival on station. Savings of jet fuel alone are approximately $1 million per month. *Ticonderoga's* presence in the battle group has raised force readiness and effectiveness to a new high. Our capability will continue to improve as more *Aegis* systems join the fleet. I look forward to its deployment to the Pacific.

DDG-51

Senator COHEN. Admiral Crowe, you stated your support for the Administration's 600-ship Navy and I assume you look forward to the early construction of the DDG-51 class guided missile and *Aegis* equipped destroyer. What will the addition of this ship to the inventory do for you as the Commander in Chief of the Pacific? Why is it better than procuring nothing but more CG-47s? Since this ship will carry the *Aegis* system, is there a better AAW or ASUW system that could be put to sea with the same capability at the same or less cost but without *Aegis*?

Admiral CROWE. There are two principal reasons that delivery of the DDG-51 class ship, in numbers and as soon as possible, is important. First, the DDG-51 class will be replacing a large number of ships which will be retiring because of age and obsolescence. Some of those decommissionings have already occurred and many more will occur over the next decade. Second, there has been a tremendous buildup of the Soviet fleet in the Pacific. Their fleet has grown not only in numbers, but also in capability. We must have ships which are capable of meeting the threat. The DDG-51 class was designed to do exactly that, to meet the threat of the 1990s and beyond. Ships presently in inventory do not have the capability. The DDGs are hard pressed to meet today's threat. The FFs were designed for open ocean escort in a low threat environment. Today we put them in the carrier battle groups because we have no alternatives. They are the only ships available. It is not possible to simply modernize these DDGs and FFs. The cost of doing so would be prohibitive because the technology these ships now possess cannot be simply upgraded. It must be replaced. The DDG–51 class is the answer. It must replace ships which are retiring and replace the FFs in the battle groups so we will have an adequate number of ships with the capability to meet the threat of the 1990s and beyond. There is no question the CG–47 class ships have the capabilities that are required now and in the future. However, they are simply not affordable in the numbers required to replace ships which are retiring or which have inadequate capability. The DDG–51 class ships were designed to take advantage of the *Aegis* technology, to complement the CG–47s and to be highly capable but less expensive than the CG–47 class ships. The *Aegis* system provides a highly sophisticated air defense capability in each CG–47 class ship, but *Aegis* was also designed to cooperate with other *Aegis* systems. By doing so, an exceptionally efficient air defense system is obtained. The efficiency that is built into the *Aegis* design translates into a requirement for fewer ships and the expenditure of fewer missiles in an engagement. The DDG–51 was given an *Aegis* derivative system so that it would be compatible with the CG–47 class ships with which it was designed to operate and so that it would contribute to air defense efficiencies. If we were to abandon the *Aegis* technology in the DDG–51 we would lose the efficiency it provides and would undoubtedly cause delays in delivery of these vital ships. We cannot afford either of these repercussions. I do not believe there is any technology at any cost other than *Aegis*, which is immediately available and which can provide the capability we must have.

MERCHANT SHIPS

Senator COHEN. Admiral Crowe, one of the Navy's missions is to protect the sea lanes. I have heard the sea lanes compared to the arteries in our bodies, and also I have been told that any successful cutting of those sea lanes could be as serious as cutting an artery which delivers necessary oxygen and nutrients to a body. Perhaps one could carry the analogy a bit further. If the sea lanes are like arteries, then merchant cargo ships and tankers would be the blood in those arteries. Why is a civilian merchant marine important to you? What is your assessment of the present condition of the US Merchant Marine? What suggestion would you have to revitalize the merchant marine given the current widespread opposition to subsidies, cargo preference, build-and-charter, or direct government procurement and subsequent base?

Admiral CROWE. I feel a strong, viable Merchant Marine is essential to national security interests. Our capability to deploy and sustain a large force in the vast Pacific area, or elsewhere outside North America, is dependent upon adequate strategic sealift. The deterrent power of our combat forces is highly questionable if potential adversaries sense or inability to fully deploy and sustain those forces. The Merchant Marine has long been, and must continue to be, the single largest domestic source of mobility to assure that sustainment. My information pertaining to the present condition of the U.S. Merchant Marine, is restricted to that published by U.S. Navy officers and other national defense authorities who interface with the maritime industry. Based on their reports, I am concerned with the steady decline in the quantity of dry cargo and tanker vessels comprising the U.S. flag fleet. Although recent U.S. Navy sealift enhancements such as the build-and-charter tanker program, convert-and-charter maritime pre-positioning ship program, and acquisition and conversion of SL–7s will fill some voids, it is obvious that a continued decline in the U.S. flag merchant marine fleet capability will create unacceptable sealift shortfalls which in major hostilities could seriously affect our ability to protect U.S. vital interests. Since the maritime industry includes both merchant vessel builders and operators, it is highly specialized and must include modern technology and economical parameters that will allow it to be competitive with the growing foreign shipping powers of the world. It is my opinion that incentives for those who build or own and operate ships are the only means of obtaining the revitalization required to maintain a viable U.S. maritime industry. To this end, I recommend the first step be a detailed review of shipbuilding and ship operating industry regulations with a view towards deleting unnecessary regulatory procedures that do not produce a reasonable profit for the owners, operators and the industry as a whole. The content of any package of incentives will not be easily developed in the face of the elements identified in your question. However, the vital need to develop and maintain an adequate merchant fleet, the backbone of our military logistics support during a contingency, should receive top priority.

NEW SSN

Senator **Cohen**. In your prepared statement you talk about the increasing Soviet Naval threat and about the large number of Soviet submarines. The current U.S. Navy plan calls for building a new design SSN, with R&D beginning in fiscal year 1984 with the lead ship authorized in fiscal year 1988. It will join the fleet in 1995. As CINCPAC, why is the introduction of a new class of SSNs important? What will this submarine do for you that SSN–668s cannot? Why does it make sense to procure a mix of these ships, at least for a while?

Admiral **Crowe**. It takes years to design, test and commission a new class of attack submarines. We must begin now to field our mid-1990s submarines, just as we began in the 1960s to field the *Los Angeles* (688 class) attack subs. The state-of-the-art in undersea warfare is evolving at a rapid rate. It is one area in which we have enjoyed some superiority over the Soviet Navy. Unfortunately, they are closing the gap, but we have to hedge against their deployment of quieter, faster, deeper, more capable ballistic missile and attack submarines. The evolving technology in the new attack submarine will provide us the capability to find and destroy the newer Soviet submarines. We must not wait until they have deployed a submarine superior to ours and then decide we need a class of submarine capable of meeting the threat.

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

SUSTAINABILITY

Senator **Nunn**. Dr. Lawrence J. Korb, the Assistant Secretary of Defense for Manpower, Installations and Logistics, was quoted as saying recently that "the forces assigned to our Unified Commanders are not as sustainable as they should be and will not be for the foreseeable future."

(a) Do you agree with Dr. Korb's statement?

(b) What are your sustainability objectives, and how does your current capability compare to these objectives?

(c) Was Secretary Korb correct when he said we will not meet our sustainability objectives "for the foreseeable future"?

READINESS COMMAND

General **Nutting**. (a) I generally agree. Budget increases over the last three years have improved the level of sustainment in such key areas as munitions, major end items and spare parts. In addition, in the munitions and spare parts area, we will experience further increases from purchases that have been made with funds from previous budgets, but are not in the hands of our commanders as yet. The current budget emphasizes additional funding is still required if our forces are to have the staying power to meet wartime demand rates in support of our national strategy.

(b) Our overall sustainability objective is to sustain the force until such time as defense production base could support the wartime demand rate. Sustainability factors vary by area or class of supply and the lead time required by the industrial base to surge to meet the wartime requirements. As indicated in my statement, USREDCOM does not have a specific overseas area or geographical responsibility. It is charged with providing reinforcement to the other unified commanders and securing this country. USREDCOM forces, when employed, fight under sustainability objectives established by the unified commander responsible for that area of operation. In my capacity as Director of the Joint Deployment Agency, I have observed that general overall deficiency still exists in munitions, major end items, and repair parts or those areas where requirements are unique to the military mission and commercial off-the-shelf substitutes are not readily available.

(c) This is an area constantly faced with change. Requirements are affected by a wide range of factors, to include the enemy's capability to wage war and our industrial bases' capability to meet the wartime requirement. We at USREDCOM are actively seeking, through the use of wargaming and simulation techniques, or more specifically, our Joint Theater Level Simulation (JTLS) model to improve our capability to gauge our sustainment requirements. However, on the other side of the spectrum, we are faced with a changing or shifting of our industrial base away from military to technologically oriented industries.

Thus, the ability of the nation to retool to a warmaking capability, as demonstrated in World War II, decreases. The gap between current sustainability levels and the production base in turn widens. The U.S. Flag Merchant Marine Industry, which I mentioned in my testimony, is a prime example of this trend. As this capability decreases or shifts to a container-oriented industry, the Department of Defense has no alternative but to pick up a greater burden of maintaining a credible lift capability. While the current budget goes a long way to anticipate and meet those changing requirements, it is likely that within the reasonable resource limits established, we will not meet our sustainability objectives within this decade. We are likely to face in the future the fact of our increasing dependence on others for resources and finished products. The security implications of this trend are enormous.

PACIFIC COMMAND

Admiral Crowe. Sustainment is the ability of a force to remain on station (or in combat) and we currently have critical shortages that severely impact our staying power. My sustainability objectives are initially set by guidance promulgated from DOD and are expressed as days of supply. We expend great time and effort ensuring we know exactly where we stand at any given time in relation to the objectives. Two specific objectives of mine for improving overall sustainability in USPACOM are to try to increase munitions war reserve stockage levels and to increase storage and tanker capability for our petroleum war reserves. These are our two most critical areas with respect to major hostilities. We can in that event support our force [deleted] for munitions and petroleum. Our current capabilities are limited by shortages/deficiencies and this leaves us critically short while awaiting resupply. We may have to alter strategies and place restraints upon the use of certain munitions to ensure an adequate supply is available until resupply. This impacts our overall objective of being able to sustain the force until resupply arrives. In turn, these deficiencies require continued attention. Yes, Secretary Korb is correct. Even though DOD-wide Program Objectives Memorandum (POM) funding is increased to $12.3 billion for fiscal year 1984, this is not enough to rectify long-standing deficiencies in the war reserve funding arena. The DOD community will require funding of war reserves to increase systematically from $15.3 billion in fiscal year 1985 to $28.6 billion in fiscal year 1989 if we expect to meet our objectives [deleted].

CENTRAL COMMAND

General Kingston. I agree with Dr. Korb's statement that the forces assigned are not as sustainable as they should be, nor will they be adequately sustained in the foreseeable future. My sustainability goal is to provide the munitions and material required to accomplish my assigned mission. My near-term sustainability objective is to ensure that I have the requisite pre-positioned assets necessary to sustain my employed forces until the sea lines of communication are established. Based on my review of the services' budgets this objective will not be accomplished in the mid-term.

OVERALL FORCE READINESS

Senator Nunn. I would like to ask each one of you, as Commanders in Chief of Unified Commands:

(a) If we went to war this morning, how would you characterize the readiness of the forces that are under your command?

(b) What improvements have been made in the readiness of the forces under your command in the last 3 years?

(c) What readiness shortcomings still exist?

READINESS COMMAND

General Nutting. (a) All combat forces assigned to USREDCOM are capable of going to war even though [deleted]. While personnel and equipment ratings are below C–2 in many cases, this is primarily a result of readiness reporting procedures and is not a true reflection of a unit's ability to fight. For example, the Army's addition of modern equipment and reorganization under the J-series MTOE has in fact enhanced the lethality of our divisions, while lowering statistically reported readiness ratings. For the Air Force, the units converting to F–15s and F–16s from the older F–4 have likewise improved their combat effectiveness.

(b) Although we still have a long way to go, major improvements can be seen across-the-board. The Army's percentage of high school diploma graduates continues to rise, category IV (low mental qualification score) enlistments are under ten percent, and reenlistment rates are very favorable. Army and Air Force pilot shortages have been reduced. Force structure design initiatives have been instituted as evidenced by the 9th Infantry Division conversion to a high technology increasingly institutionalized and better coordinated. Every Army division is undergoing some type of change. For the Army, modernization equipment such as the M1 tank, Bradley fighting vehicle, Black Hawk, Patriot, and Multiple Launch Rocket System, to name a few, have made us a more capable fighting light division configuration. The entire force modernization process has become force. The capability of gaining and maintaining air superiority has been improved through the production and introduction of the F-16. Munition shortages have been reduced and maintenance problems, although they still exist, are down. War readiness spares kit (WRSK) shortages account for the major readiness deficiency among Air Force units; however, WRSK is not the problem it was 2 or 3 years ago. Significant improvements have been made but we are not where we want to be. Continued funding support from Congress is a necessity.

(c) Some shortcomings have already been alluded to—ammunition shortages, maintenance backlogs resulting from skilled personnel and parts shortages, and WRSK. Senior noncommissioned officer shortfalls and skilled key personnel shortages still exist, particularly for the combat arms career management fields in the Army. Major deficiencies exist in the area of strategic sealift and airlift. Shortage of training funds, chemical defense capability, survivable C3 systems, and intelligence support capabilities are also areas where readiness deficiencies exist.

PACIFIC COMMAND

Admiral CROWE. Overall, our readiness in the Pacific today is better—far better—than it's been in many years. I make this statement based on personal observation of our frontline units. I attribute this fine state of readiness to two specific reasons: Personnel training and morale, and equipment modernization. Our people today are the finest we've ever had. They're smart, dedicated, and trained. For the most part, we have recovered from the drastic manning and skill shortfalls of the last decade. We've also modernized to some degree our ships, aircraft, tanks, artillery, helicopters, etc., and the newer equipment gives us better overall capability. That, combined with the robust personnel situation, translates into readiness.

Now, having said this, let me tell you of our twin weaknesses: Sustainability and force structure. While we're ready to fight the first few days of a war, we have serious problems with our ability to continue fighting over a sustained period of time. We're especially short of certain necessary, preferred conventional munitions. We also have shortages of combat support and combat service support, as well as spare parts and equipment. Because of funding initiatives on the part of all of the Services, we are getting better. But time and continued attention to sustainability are required.

As for force structure, we just don't have enough forward-based forces in the Pacific to cope with the growing size and sophistication of the threat. With about a third of all Soviet forces stationed in my area of responsibility, as well as the North Korean and Vietnamese forces, we need more.

In terms of personnel, our greatest asset, we've made giant strides. As I've said, our people are superb and many of them have stayed on long enough to begin to occupy the more senior positions of leadership. Therefore, our skill levels are better today, and the total numbers assigned within units have increased.

In terms of weapon systems, we've added the *Carl Vinson* class carrier; *Ohio* SSBNs; *Los Angeles* SSNs, *New Jersey* battleship; *Spruance* destroyers and *Perry* frigates; F-14s, F-15s, F-16s, and now F-18s; CH-53Es, M-155 and M-198 howitzers; AH-15 attack helos; etc. We also improved somewhat our POL, spares, and weapons stockages.

One point I might make is that when we do modernize our forces with new systems, there is a period of time when a ship or unit goes C-5 for conversion, and following conversion, begins with a readiness rating of C-4 for spares or training until full unit readiness is achieved. That takes time. So when I hear critics say that our figures show we're less ready today, I know they are not looking at the whole picture. In fact, we are more ready today, and we're going to be even better when these conversion units achieve full operating status.

Many of my previous comments pertain to this question as well. Several years ago, we had worn out equipment, too few personnel with less than needed skills, and empty supply bins.

Today, we have more modern equipment, vastly improved personnel statistics by any measure, and an improving sustainability posture. But we're not out of the woods.

We need continued Service and Congressional emphasis on sustainability in order to provide a fully credible deterrent posture. That will take time.

In addition, we need more force structure in the Pacific. We are particularly short of necessary long-range tacair; air defense and early warning systems; defensive and retaliatory chemical equipment and systems; combat support/combat service support; antisubmarine/mine countermeasures systems, and special operation forces. Also, we have forces limited to size, yet with few of the newer force multipliers such as F-111s, EC-130s and insufficient E-3As. We're also experiencing severe shortages in strategic lift and aerial refueling capability.

CENTRAL COMMAND

General KINGSTON. The U.S. Central Command is prepared to employ combat ready forces in support of U.S. National Security Objectives. We can immediately deploy our forces to Southwest Asia in accordance with existing operations plans and employ assigned forces as tasked.

Improvements in the readiness of my forces designated for planning have resulted from two basic actions: procurement of new equipment and enhancement of existing systems. In the last three years we have acquired equipment which enhances our ability to get to the scene of the action, fight the battle while we are there, and sustain our force while deployed. USCENTCOM is this Nation's only unified command not located in its area of responsibility. Thus, our need for increased strategic lift is of major concern. In the area of airlift, procurement of the KC-10 aircraft has improved our readiness by providing an aerial platform that not only functions as a tanker but can also be used to augment strategic airlift. This aircraft has proven itself to be a significant asset in recent deployments to my area of responsibility. Also, as you may know, the Air Force has an enhancement program under way strengthening the C-5A wings. This improvement will extend the aircraft's service life well into the 21st century. A programmed buy of 44 additional KC-10s and 50 C-5Bs will basically double our nation's cargo airlift capacity between now and 1989. Additionally, we currently need the capability to deliver outsized cargo to austere, expeditionary airfields. This capability is satisfied by a prototype aircraft currently under consideration—the C-17. This aircraft would fulfill my requirement to operate into unimproved airfields in the Central Area.

In the area of sealift, quantum leaps have been made which enhance our ability to deploy heavy equipment to my area of responsibility. The Near Term Prepositioning Force program has placed vital equipment aboard ships primarily based at Diego Garcia. We currently have dedicated equipment, fuel and water within 6 days of our area of concern without the political and security problems of land prepositioning. The procurement of the Auxiliary Crane Ships (TACS) will improve our ability to deliver cargo to ports in the Central Area that have limited offload facilities. Also, the addition of the Auxiliary Lighter Ship (TALS) will allow deep draft ships with preloaded ammunition to transport their cargo ashore by lighterage while anchored well off the coast. Finally, eight high speed SL-7's are being converted to fast loading roll on/roll off ships, allowing rapid unloading of vehicles. I ask for your continued support of these programs to enable me to accomplish my assigned missions. The improvements over the last 3 years have demonstrated the concern and support by National Command Authorities for the USCENTCOM charter.

Although my assigned planning forces are combat ready, numerous shortfalls continue to exist. Among these shortfalls are shortages in strategic lift assets, communications vulnerabilities, limited access to bases in the area, security of air and sea lines of communications, tactical intelligence gathering and processing capabilities, and lack of negotiated host nation contingency support. Additionally, the overall force has a marginal to unsatisfactory capability to conduct operations in an NBC environment.

ARMY'S LIGHT DIVISION

Senator **Nunn.** I would like to ask each of you to give your reaction to the Army's new light division concept:

(a) What mission in your respective theater would you envision for this division?

(b) What capability does this new division have that does not currently exist in the forces at your disposal?

READINESS COMMAND

General **Nutting.** (a) (This is answered in light of the impact of the light division on USCINCRED OPLANs for which forces would be needed.) The 10,000-man light infantry division was designed to be able to quickly task-organize for a variety of contingencies. It can be rapidly deployed to various locations with reduced lift requirements when compared to an armored, mech inf, or air assault division. It is designed to fight in close terrain against relatively light opposition, yet it can be reinforced/tailored to meet any situation. It can be employed to defend and secure critical facilities while at the same time maintaining a mobile strike force for targets of opportunity. Keeping in mind the envisioned ground threat—small mobile units—to my area of planning responsibility, the light infantry division has the inherent ability to break down to battalion or smaller size forces, which can be moved about using the division's organic lift capability and tactical lift assets.

(b) A light infantry division has numerous capabilities and advantages. It can be rapidly deployed worldwide with approximately 50 percent less lift assets than a heavy division, airborne division, or air assault division. It can be task-organized easily to go into different areas/terrain at the same time for different contingencies. It is better suited to the low- to mid-intensity conflicts we see as threats to U.S. forces in the near term, i.e., Central-South America, Africa, and SWA—the type of conflict which has been most prevalent in the world since 1945. It is better suited for jungle, mountain, and urban terrain than mech inf or armored division. It does not have the large logistics tail that the current light infantry division has. (Has the highest percentage of division strength in the foxhole of any of the divisions, 30 percent.)

PACIFIC COMMAND

Admiral **Crowe.** (1) I am supportive of initiatives that enhance our deployability. In an area as vast as the Pacific Command, one of my major problems is the ability to deploy and sustain ground forces with limited strategic lift assets. The new light infantry division would improve strategic deployability. The overall reduction in the new division's size does reduce its capability, particularly in the area of organic combat support and combat service support. This will increase the division's reliance on a Corps unit during deployment. Any ground combat force requires combat support and combat service support units and logistics to sustain its combat power. A "Corps support package" must be available to go with the light infantry division whether it deploys as part of a Corps or by itself. Bear in mind, of course, that I do not foresee contingencies in my theater that would call for the "heavy" forces such as would be required in Western Europe.

(2) I do not foresee any changes to current contingency missions by Army forces in the Pacific based on the new light division concept. One of these missions is strategic Army Reserve for the theater. It is a good force for low- and mid-intensity conflicts that could occur in USPACOM.

(3) As previously indicated, the primary advantage for me is the rapid deployability of the new light infantry division. This means that I can get it where I need it using less strategic lift than would be required with a heavier division. There is less equipment. This simplifies resupply and makes sustainment of the new light infantry division easier.

CENTRAL COMMAND

General **Kingston.** In answer to the first question, I see the light division satisfying several important mission requirements in my area of responsibility. As a strategic contingency force it could quickly deploy for employment against an appropriate sized hostile force. Further, its rapid deployment could possibly deter or dissuade unfriendly nation intentions and prevent conflict escalation.

Although not a substitute for the firepower provided by heavier divisions, the light division could accomplish many important missions in a mid or high intensity combat environment. It could be used in restricted terrain such as mountains and urban areas. Its lightness would facilitate quick maneuver to reinforce other divisions at decisive points in the battle. Another important aspect concerns the security of key facilities and extended lines of communications. The light division could accomplish these critically important tasks thereby allowing heavier division assets to be fully committed to the forward battle. Unquestionably, the light division could perform numerous important missions in my area of responsibility.

Several important capability characteristics deserve highlighting. The estimated number of strategic airlift sorties required to deploy the light division is approximately 500 sorties. This compares to approximately 1,000 sorties for an air assault or airborne division. Reduced sorties means that the total force can be moved quicker with the strategic airlift available. If necessary, the saved airlift can be used to support other contingencies in another theater or to move additional forces into my area of responsibility. The light division is also organized with a higher leader to soldier ratio. a factor that will ensure well executed missions in combat. Further, its foxhole strength would be approximately 33 percent of all assigned soldiers. This figure compares to 19 percent and 23 percent for air assault and airborne divisions, respectively. Overall, there are unique capabilities associated with the light division that expand upon the warfighting capabilities of forces currently at my disposal.

OPTIONS OF SOVIET INVASION OF IRAN

Senator NUNN. General Kingston, in the event that Soviet forces were to stage an outright invasion of Iran, what military options would the United States have for dealing with the situation?

What shortcoming in readiness, airlift, sealift, and equipment does your command now face that would hamper its ability to cope with this or similar crisis in the Persian Gulf Region?

General KINGSTON. In response to your first question, early intelligence indications of an impending Soviet attack and a prompt National Command Authority decision to initiate operations are key to all military options in dealing with such an invasion. Since deterrence is my primary mission, early warning and rapid deployment of sufficient forces into the region is imperative to signify U.S. resolve. JCS has provided me with a credible force for deterrence and those forces are trained and prepared to respond. If deterrence fails, I have a series of contingency plans to confront and delay a Soviet advance toward the Persian Gulf.

As for the second question, the combat forces I currently have for planning purposes are ready for both deterrence or war. However, support forces are not as ready and this has been a matter of concern that my command and the Services have been actively working to resolve. These units are not currently available in the force structure or are committed to other theaters. Over the past two years, improvements have been made in the support area, but more remains to be accomplished.

One cannot effectively talk readiness without addressing our most important entity—people. Our readiness is affected across the board by a shortage of personnel school-trained in their respective occupational fields. This is particularly true in the senior enlisted grades and technical specialties. For example, the naval forces that I have designated for planning have suffered a long-term shortage of Senior Chiefs in the Gunner's Mates Ratings for missiles and guns. My special operations forces lack adequate numbers of senior noncommissioned officers and have for some time. My area of responsibility is marked by a multitude of languages and dialects and a massive requirement exists for trained linguists. We are critically short of U.S. servicemen and women who can speak Farsi, Arabic and Urdu, just to name a few. I need people with language skills to serve as analysts and interpreters and to train with allied forces in the Central Area. I feel this problem could be rectified in part by providing a bonus or other incentive to those who enlist or reenlist in the language fields.

The airlift and sealift question can best be answered by USREDCOM, MAC and MSC since they have a worldwide mission. I have provided these commands with my force deployment requirements. Recent air and sealift enhancements have improved the over all worldwide deployment capability and I will benefit from their enhancements as well.

As for equipment shortages, modernization of all our forces is moving along at a fast pace. My Army, Air and Naval Forces are becoming better equipped and manned with trained personnel. Each year we are improving as we progress through the program period.

A priority USCENTCOM concern has been command and control communications. We identified our communications shortcomings a number of years ago and the services are responding to resolve the deficiencies. By the end of 1988, the establishment of a communications infrastructure in my AOR can be accomplished if current programs stay on schedule.

As noted before, early intelligence indication and warning is critical to decide whether or not to deploy. Enhancements in this area are critical.

The fiscal year 1985 budget enhancements will increase my capabilities to respond to most any contingency be it small, such as the recent problem with Libya and Chad, or large, such as the suggested invasion of Iran.

READINESS TRENDS OVER TIME

Senator NUNN. (a) I would like to ask each of you:

(a) How do you review changes in the readiness and sustainability of the forces under your command over time?

(b) What measures do you use to measure readiness and sustainability? For example, do you use C-ratings or mission capable rates to measure readiness? What about sustainability?

(c) What output indicators should Congress be using to determine whether we have gotten improvements in the readiness and sustainability of our forces commensurate with the larger increases in defense spending over the last few years?

READINESS COMMAND

General NUTTING. (a) Because of numerous modernization and training initiatives, our forces are now better equipped, better trained and more prepared to go to war than they were one, two or three years ago. The balanced, total system approach taken toward modernization, readiness, and sustainment has favorably influenced the total posture of our forces. The future looks better; however, much work remains in overcoming readiness deficiencies. Continued funding and support of budget proposals remain essential.

(b) Readiness is measured through the Unit Status and Identity Reporting System, or UNITREP. This is a system whereby C-ratings or combat ratings from C-1 (fully mission capable) through C-5 are used to rate a given unit. This is strictly an internal management tool used by all Services to determine a units' readiness based on its current personnel and equipment authorizations. It facilitates identification of problem areas and sensible allocation of resources to achieve best effect. This system has its shortcomings, particularly in the Army, in that it often does not present an accurate portrayal of a units' true warfighting capability. For example, equipment fill often does not keep pace with equipment authorizations. If 25 M1 tanks are authorized but the unit has 15 M1s and 10 M60s, the unit C-rating is low until all 25 new tanks and associated equipment are on hand and fully operational. Then, and only then, will the unit be C-1 for this weapon system. In other words, the unit is graded or rated against the equipment authorized and does not give consideration to any of the items being replaced, regardless of the old equipment's reliability. Sustainability it not a rated item under the present reporting system, and therefore, we are not directly involved in sustainability issues. Sustainment is the responsibility of the employing Commanders and the Services.

(c) I would think any assessment of force readiness, particularly one seeking trend data, should be as complete as possible. That is, it should capture both quantitative and qualitative indicators, both unit readiness as compared to established standards, and force capability to accomplish current strategies as force modernization does—or does not—occur. The Unit Status and Identity Reporting System, when adjusted to ensure a unit's current combat capability is not obscured by its programmed, modernization readiness goal (e.g., present M60A1 versus future M1 tanks), could be one component in such an assessment. If so used, it should be used in its entirety, to include the professional judgment concerning the warfighting capability of the unit by the man who should know it best, the commander. Nonetheless, we might still be short of the mark in trying to capture the enhanced force capability, the qualitative improvements force modernization budget dollars buy. As I alluded to in my earlier testimony our current Unit Readiness System does not portray, for example, the enhanced sortie generation capability of F–16s being introduced to a wing, the exceptional night fighting capability the introduction of the M1 Abrams Tank gives us, the increased combat effectiveness of ammunition stocks, containing new munition systems with quantitative leaps in accuracy, in single-shot kill probability. Thirdly, any useful assessment of force readiness should look at the national strategies and the threat, that is "readiness to do what?" Does the trend data in selected categories indicate that, relative to a changed threat, we have purchased enhanced capability to perform the required mission or not? For example, if one of those categories is deployability of the force, have our budgeting decisions supported required capability? With addition of C–17s at the rate now programmed, how much nearer the airlift force projection requirement have we moved? Finally, while measuring the impact of our more visible hardware acquisitions, any prudent assessment should seek the candid professional judgment of the commanders who exercise these new capabilities, especially during joint training. As we evaluate joint tactics, techniques and procedures of the current force in the context of current plans and strategies, what are the trends? For example, what are our procedures for making best use of the SL–7's enhanced capabilities? Does our planning reflect these capabilities? The force commanders are best qualified to make such judgments.

Pacific Command

Admiral Crowe. For unit readiness I receive a monthly briefing on the past month's readiness averages of the units in my command by types; e.g., Navy ships, Air Force squadrons, etc. Additionally, the data from at least five previous months is shown to indicate trends. Finally, I receive trend briefings for the previous three or four years as the need arises. For sustainability, I receive a detailed briefing monthly on various classes of supply. These briefings are set up so that I see the entire sustainability picture over the course of a quarter. Additionally, I receive a yearly report in April from each of my component commanders on their overall capability. This, in turn, is used to produce my report to JCS which is incorporated into the JCS capability report. In October the same process takes place as an update of the April report. Finally, there are many other subjective indicators which show changes in capability over time. These include such items as retention rates, number and effectiveness of exercises (especially joint exercises), accident rates, morale, decreased maintenance backlogs, operational readiness inspections and my own on-site inspections and conversations with my commanders.

C- and S-ratings are within limits valid, objective measures of unit readiness and sustainability, but they do not tell the whole story. For example, we have instances where a unit is authorized additional equipment, which causes the unit, due to the administrative requirements of the rating system, to report a C–4 readiness rating until the equipment is received. In a like manner, we have seen sustainability ratings which are measured in days of supply against an OPLAN, actually go down even though the gross stockage has gone up. This is caused by the addition of new units to an OPLAN which raises the overall required level of stockage. Thus, to get a true overall picture, I find that I study the ratings, the reasons behind the ratings, and the subjective indicators which I have previously mentioned.

I monitor mission capable rates through the C-ratings, but consider them but one indicator of the many factors I assess in judging the readiness of PACOM forces.

The larger increases in defense spending over the last few years have really gone into overall capability and not just unit readiness and sustainability. Unfortunately, there are no statistically quantitative output indicators in the areas of force modernization and force structure. Perhaps the way to look at those areas would be to review them to see what was obtained within any given year.

For sustainability and readiness, of course, we have S- and C-ratings, which are useful. As with every statistical measure, however, there are dangers of oversimplification in that numbers alone do not tell the whole story, particularly when they are not balanced with all of the elements of capability. As an example, when a unit transitions to new equipment, we expect the unit to be low rated in the readiness areas of training, supplies and maybe equipment on hand. This is natural because of the increased training requirements and the fact that supply and equipment channels have not stabilized. So we might have a situation where unit readiness has decreased from C–1 to C–3 but overall capability has increased because of modernization (e.g., an F–4 to F–16 conversion).

Finally, as I have previously discussed, subjective indicators should be used. These include items such as personnel retention rates, number and effectiveness of exercises (especially joint exercises), accident rates, morale, and decreased maintenance backlogs. In the end, the best judge of readiness is the theater CINC. He alone has the responsibility to determine the state of his forces to fight a war. No statistical measure will ever be able to replace a competent and experienced commander's judgment.

CENTRAL COMMAND

General **Kingston**. With regard to monitoring the readiness of combat forces assigned to me for planning purposes, I am briefed on a regular basis. In these briefings the C- status is monitored as well as mission capability. Sustainability has been significantly enhanced through the use of near-term prepositioning of equipment ashore and through the NTPF. The status of NTPF shipping and cargo is monitored on a daily basis.

The qualitative indicators of operational readiness and sustainability can best be measured through exercises. The BRIGHT STAR series of exercises that have been conducted within my area of responsibility are a prime indicator of the combat capability of the forces involved as well as the capabilities of the supporting units and facilities that will be required in the event of a real world contingency. The successes and failures within these exercises point out our strengths and weaknesses in a most graphic manner.

STRATEGIC VERSUS CONVENTIONAL

Senator **Nunn**. I want to ask each of you whether or not you would have any concerns about your conventional capability if the fiscal year 1985 budget is reduced to approximately the 5 percent real growth projected last year by Congress and the strategic nuclear programs are "fenced" from any reductions?

READINESS COMMAND

General **Nutting**. I have no difficulty with the priorities established within DoD for distribution of resources. Strategic modernization rightfully enjoys its position as one of our highest priorities. As I stated in my response to Senator Tower, the present budget is a sensible one, given the varying considerations I enumerated. It would be just as unreasonable to take all budget reductions from strategic nuclear forces as it would be to take them in toto from all mission areas save strategic nuclear forces. Nuclear deterrence and arms control efforts are working reasonably well given all the attendant problems. But our forces are presently, and have been most frequently, engaged in the conventional realm of the conflict spectrum, especially at the low intensity end. It is in this conventional area where we continue to experience a serious imbalance and for which we can no longer defer corrective measures. The President's budget as submitted offers an appropriate balance between readiness, sustainability, and modernization at funding levels which are the minimum prudent given the threat we face.

PACIFIC COMMAND

Admiral **Crowe**. My military priorities as an operational commander lie first with insuring that we can fight today with what we have. I have stressed and continue to stress readiness and sustainability as our priority USPACOM need. Readiness is directly impacted by training: too little training causes reduced proficiency, and accidents and fatalities increase drastically. Sustainability has improved and will be at an acceptable level by 1988–1989 if proposed plans are implemented. We need the most up-to-date, reliable air-to-ground and air-to-air missiles and improved conventional ground munitions available in USPACOM to merely hold our own. New good equipment from long-delayed modernization is now getting to the field. We are training realistically and our allies are again being reassured by our restored military strength and competence. I would be very concerned with large cuts in funds earmarked for sustainability and readiness since this would adversely impact on the war fighting capability of my forces and lessen my ability to execute the Pacific campaign plan in support of our overall global strategy.

CENTRAL COMMAND

General **Kingston**. USCENTCOM, as well as the other unified commands, depends heavily on a strong conventional capability to deter armed conflict. I do not feel that a reduction in the presented budget can be acknowledged without acceptance of substantial risk to our forces, either strategic or conventional. Further, I cannot make an assessment of the impact of your proposed reduction until specific programs are identified by the Services since it is their responsibility to man and equip respective forces; except to say the forces provided to me must be prepared for a multiplicity of tasks to ensure we can meet the threat in our AOR. The current budget proposes to enhance the capabilities of my Command to do these tasks with a reduction in the current risk.

RENEWED KOREAN CONFLICT

Senator NUNN. Admiral Crowe, tensions have recently been rising in the Korean peninsula due to the shooting down of KAL–007 and the terrorist bombing of Korean leaders in Burma. Do you see any prospect of a renewed Korean conflict in the next few years? If such a conflict were to break out, for any reason, how would South Korea fare? How prepared are our own forces to engage in conflict and what reinforcements would they require?

Admiral CROWE. [Deleted.] However, it must be noted that North Korea has acted in violent and unpredictable ways and could do so again. An attack by North Korea is possible if the political situation in South Korea becomes unstable and U.S. forces are diverted elsewhere. Stability on the Korean Peninsula is also of primary concern to the USSR and PRC, as each nation recognizes the enormous risks to its own national interests that would be involved. Despite the recent peace proposal, in my view, the most likely scenario over the next several years will be occasional violent incidents, such as those which have occurred in the past, and tension continuing at about the present level.

If South Korea has advance warning of an impending North Korean attack they would be capable of defending the DMZ with in-place forces and with follow-on augmentation of regular and reserve forces. [Deleted.] North Korean ground forces currently have quantitative advantages over those in South Korea in most elements of combat power [deleted]. The South Korean Air Force possesses a qualitative advantage in its modern, more capable combat aircraft. South Korea is undertaking programs to close the gap, [deleted].

At present, the balance of power is maintained with the presence of U.S. forces backed-up by rapid reinforcement capabilities. A continued strong U.S. commitment to South Korea will insure that any North Korean attack would be repelled with devastating losses to the North.

My forces are good and getting better. Our deficiencies, which are serious, include both sustainability and overall quantity of forces. The latter deficiency can be reduced to some degree through the addition of force multipliers and redistribution of assets.

My fundamental belief is that if we can sustain the momentum we have established in remedying the defense ills of the 1970s, we will have a vastly improved capability in a few years.

That translates to more effective deterrence, and greater confidence in our ability to prevail if forced to fight, and that's where I believe we get the full measure of payback for the American taxpayer.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

STRATEGIC VERSUS CONVENTIONAL

Senator LEVIN. You say this budget represents the proper balance between near-term readiness and sustainability needs and longer-term procurement-modernization programs. This is a budget which has 13 percent real growth in defense spending, and thus is completely unrealistic, since everyone knows that the President and Congress will have to cut this growth to try to deal with deficits. How should we make these cuts, Admiral, if we were to get a five percent real growth level—should we cut from big ticket items, which you say you need, or should we cut the O&M you say we should not cut, or the ammunition and steaming days and flying hours you say you really do not have enough of already?

Admiral CROWE. As I explained to Senator Tower, we've been forced to live with very little in the USCINCPAC area of responsibility for so long that I'd hate to see any of the get well efforts forestalled. However, I have testified in my written and oral statements that I place my highest conventional priority in alleviating our many glaring deficiencies in sustainability. Allied with this priority is the need to maintain the readiness of our current forces at the highest possible level, both for deterrence and, that failing, for warfighting. Both of these priorities support doing more with what we have. My next priorities would be increased force structure and more capable weapons.

Senator LEVIN. Admiral, the Navy's requirement for flying hours is to have enough hours so that its combat pilots can achieve a primary mission readiness rate of 88 percent. Is it not true that this budget does not contain enough flying hours to reach that rate?

Admiral CROWE. Due to operational requirements and the need to maintain high readiness, all forward deployed naval aviation squadrons receive higher priority for flight hour allocations and exceed the Navy requirement of an 81 percent readiness rate per pilot. As a result, aviation squadrons not forward deployed are at a lower priority for flight hour allocations and are flying at less than that 88 percent primary mission rate. The resultant overall average is 84.1 percent.

Senator LEVIN. Admiral, you say that "the last few years have seen a remarkable turnaround in our security programs," and you list the introduction of many new weapon systems in the Pacific to support this contention. Later, you say "we have made considerable progress in improving our national defense in the last three years." Admiral, isn't it true that, considering the long lead times it takes to produce new ships and aircraft and introduce them into the deployed forces, the improvements you are citing actually were funded mainly before this administration took office?

Admiral CROWE. We in the Pacific are grateful for the attention we have received in recent years. Increasing public and congressional support to improve our national defense has helped us acquire needed weapon systems. It is true that the decision to purchase a weapon may have been made a number of years prior to its deployment, and it is also true that the decision to continue sufficient funding for the life of the acquisition program is made on an annual basis. We need to maintain the momentum that has been growing since the late 1970s.

Senator LEVIN. Admiral, the Air Force's Tactical Air Command has a goal to provide each pilot a monthly average of 25 flying hours. In fiscal year 1984, the command projects a monthly average of 19.5 flying hours per pilot. DOD says the fiscal year 1985 budget only provides enough funds for either 20 or 21 flying hours per month per Air Force tactical combat pilot. How can you say this budget strikes the proper balance between readiness and sustainability and modernization when it fails to provide enough flying hours for our Air Force pilots?

Admiral CROWE. Twenty-five hours per month is a good average for a tactical fighter pilot's flying time. It provides a blend of needed experience in all aspects of his job, with full realization of the expense which flying high performance fighters entails. But 25 hours per month today is still a goal. Only a few years ago, our pilots were getting less than 15.1 hours per month. That was an alarmingly low rate. One thing I might add is that we can not simply buy additional hours today. That is why we cannot go from, let's say 20 hours, to 25 hours in one fiscal year. In each additional hour per month per crewmember, there is a requisite necessary increase in fuel spares, maintenance personnel, range operators, and even aircraft. This is why we cannot afford to slack off one year and hope to make it up next year in a giant step. I might also add that last year was the best year in history for flying safety for USAF tactical fighters. That translates to fewer lives and aircraft lost, which represents a tremendous offset to the cost of additional hours.

Senator LEVIN. Admiral, you say you can live with the ammunition procurement levels in fiscal year 1985 since the out years show larger increases. Would you agree with the following statement by Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, Lawrence Korb, made just last October: "Even our modest mid-term goals will be a slow process. In both the fiscal year 1983–1988 programs most of the money programed for sustainability was in the out years: Fiscal year 1986–1988. Historically, out year increases disappear as those years become budget years. Unless this trend is reversed, we will certainly fall short of our objectives. "Given past history and the need to reduce the deficits, not just now but for the next 5 years, how can you be confident that the out year ammunition increases will occur and thus that this budget has adequate funds for such procurement now?

Admiral Crowe. I do agree with the statement and believe I've partially answered that in my response to Senator Nunn's question on sustainability. I sincerely hope we will continue our aggressive efforts to keep out year funding for sustainability items like munitions on track and a reality as they become budget years. Reprograming this money will certainly seriously harm our efforts to increase sustainability of our forces and any deviations from those POM figures will delay our achievement of the primary objective—sustainment of the force.

JAPAN'S DEFENSE EFFORTS

Senator Levin. You have said the following about Japan's defense efforts: "I perceive a growing disposition to develop a meaningful Japanese self-defense capability. At the same time, I have been encouraging the Japanese leadership to make the necessary investment to met their own self-defense goals and to develop a credible capability." On a simple "yes" or "no" basis, do you think that Japan's decision to increase their defense budget in fiscal year 1984 by only 6.5 percent represents the type of "necessary investment" for them "to meet their own self-defense goals and to develop a credible capability," especially since that number is far below what we have told them is the necessary yearly increase required for them to do exactly this job?

Admiral Crowe. As my further remarks suggest the simple answer is no. But having said that, I believe a 6.5 percent increase does represent a growing disposition to develop a better Japanese self-defense capability. This is evident when one considers that only defense and foreign aid received any real increase in the Japanese budget for this next fiscal year, while all other departments and programs were either frozen or experienced budget cuts. Furthermore, the $13.38B Japanese budget this year again includes a substantial increase in support funds for U.S. military facilities in Japan, i.e., 25 percent over 1983. Overall, the trend of the last several years has been favorable, both in governmental and public attitudes as well as in defense spending. The concern I still have, however, is that the rate of increase does not meet the sizeable Soviet threat in as timely a manner as I believe it should. It is in this regard that we are strongly encouraging the Japanese to accelerate their defense programs.

READINESS AND SUSTAINABILITY

Senator Levin. General Nutting, as Commander of the Readiness Command, you have overall responsibility for monitoring the day-to-day readiness of most of the Army and Air Force conventional forces based in the United States. You state that:

"Analysis of unit readiness reports by the components (Services) not only defines trends, but identifies problem areas. This action allows us to support programs in the DoD Planning, Programming and Budgeting System that affect readiness."

General, did you recommend to the Defense Resources Board that more funds be spent for readiness and sustainability in the fiscal year 1985 budget than actually was approved in the budget request to Congress?

In which specific areas did you recommend that more be spent—O&M, flying hours, steaming days, battalion training days, procurement of war reserves, procurement of ammunition, others?

General Nutting. In meeting with the Defense Resources Board, I did discuss readiness and sustainability but I did not address specific dollar amounts for funds. My presentation focused on concerns about factors impacting on the readiness of our assigned units. For our component Army units these included shortages of mid-level noncommissioned officers and shortages of equipment. Army units also suffer from maintenance backlogs. Our Air Force units suffer shortages in war reserve spares and supply related items. Neither Army nor Air Force units are equipped with enough modern maintainable tactical communications.

COMBAT READINESS UNCHANGED

Senator Levin. General Nutting, you say that during the past year, the combat readiness posture among Readiness Command forces remained "virtually unchanged." Why is that, if we have spent so much money in the past, supposedly balanced Reagan budgets to improve readiness? The funds spent in fiscal year

1981 and fiscal year 1982 should have had an effect by now on day-to-day readiness. Since you monitor readiness for most of the US-based Army and Air Force conventional forces, can you explain why the number of Army units reported as substantially combat ready (C-2) declined between fiscal year 1980 and fiscal year 1983?

General NUTTING. Readiness, as measured under the current reporting system, is based on the four measured resource areas of personnel, supply, equipment, and training. The overall readiness rating will be the lowest element of the four resource areas unless the commander applies his subjective judgment in raising or lowering the unit's mathematically computed unit rating. The key point is that the current reporting system is defined in terms of those resources required to perform the unit's wartime mission versus currently possessed resources. While this type of information may not tell us a unit's "capacity to go to war," it does tell the chain of command substantial information as to the ability of the unit to wage combat. Therefore, the reason for the decline results from the reporting procedures since it is largely a quantitative, not qualitative measurement tool. Conversion to J-series, Modified Table of Equipment (MTOE) has resulted in a statistical degradation of readiness ratings in some units (instant unreadiness). However, policies have been implemented to overcome this instant statistical unreadiness and the unit status report will begin portraying a truer picture of the actual readiness of units as they are organized. These policies are to exempt from unit status reporting force modernization LINS (line item numbers), associated items and MTOE plus up items which are not and will not be available to units in the foreseeable future, similar to the procedures employed by Air Force units.

DECLINE OF AIR FORCE TACTICAL AVIATION UNITS

Senator LEVIN. General Nutting, why has the percent of Air Force tactical aviation units which reports C-1 (fully combat ready) and C-2 (substantially combat ready) month by month from 1981 to 1983 for all major Air Force combat aircraft except for the F-15 declined greatly since late 1982, according to the GAO?

General NUTTING. During the period mentioned, several of our fighter squadrons were undergoing conversion to new weapon systems. This caused them to report a lower combat readiness rating as a result of aircraft being acquired, crews trained, and equipment and supplies received. Additionally, increases in War Readiness Spares Kit (WRSK) authorizations resulted in many of our fighter squadrons falling below a C-1 or C-2 status. While significant funds have been made available for purchase of spare parts, production lead times of up to 2 years for many components continue to impact sustainability in the short run. Continued emphasis upon and support for adequate funding of spares are needed to achieve desired levels of sustainability.

Senator GOLDWATER. The hearing will stand adjourned.

[Whereupon, at 4:45 p.m., the committee adjourned, subject to the call of the Chair.]

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